

Finance and Audit Scrutiny Panel

Grand Jury Room, Town Hall
23 February 2010 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. The panel scrutinises the Council's audit arrangements and risk management 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

Toilets are located on the second floor of the Town Hall, access via the lift. A vending machine selling hot and cold drinks is located on the ground floor.

Evacuation Procedures

Evacuate the building using the nearest available exit. Make your way to the assembly area in the car park in St Runwald Street behind the Town Hall. Do not re-enter the building until the Town Hall staff advise you that it is safe to do so.

Colchester Borough Council, Angel Court, High Street, Colchester
telephone (01206) 282222 or
textphone 18001 followed by the full number that you wish to call
e-mail: democratic.services@colchester.gov.uk
www.colchester.gov.uk

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 risk management arrangements, 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 financial performance of the Council, and to make recommendations to the Cabinet in relation to financial outturns, revenue and capital expenditure monitors
- To scrutinise the Audit Commission's annual audit letter
- 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 AND AUDIT SCRUTINY PANEL
23 February 2010 at 6:00pm**

Members

Chairman : Councillor Dennis Willetts.
Deputy Chairman : Councillor Christopher Arnold.
Councillors Dave Harris, Gerard Oxford, Wyn Foster,
Martin Goss, Theresa Higgins, Jackie Maclean, Jon Manning,
Lesley Scott-Boutell and Nick Taylor.

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 - 5

To confirm as a correct record the minutes of the meeting held on 26 January 2010.

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. 3rd Quarter Risk Management Progress Report 6 - 17

See report from the Head of Resource Management.

11. 2009-10 Finance Monitor - April to December 18 - 35

See report from the Head of Resource Management.

12. 2009-10 Capital Monitor 36 - 54

See report from the Head of Resource Management.

13. Work Programme 55 - 57

See report from the Scrutiny Officer.

14. 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 AND AUDIT SCRUTINY PANEL

26 JANUARY 2010

Present: - Councillors Arnold, Foster, Goss, Harris, T Higgins, Maclean, Manning, G Oxford, Scott-Boutell and Willetts
Substitutions: - Councillor Ellis for Councillor Taylor

38. Minute

The minute of the meeting held on the 17 November 2009 was confirmed as a correct record.

39. Annual Audit Letter

Mr. Paul King, District Auditor and Mr. Ian Davidson, both from the Audit Commission attended the meeting for this item. Mr. King presented the report 2008/09 Annual Audit letter.

In response to Councillor Willetts, Mr. King said the errors in accounts as notated in paragraph 2 of the Annual Audit Letter (AAL) were not material and therefore did not require any accounting adjustment. Mr. Charles Warboys, Head of Resource Management explained that the errors were primarily about the issue related to the method used by the Council to provide the valuation of Council assets, and a technical issue concerning the payment of grants against assets. Mr. Warboys confirmed that these errors had been notified to the Accounts and Regulatory Committee in September 2009.

In response to Councillor Willetts, Mr. King confirmed that a follow up review of the Colchester Visual Arts Facility would be undertaken during 2010/11, with the intention to report openly and publicly without prejudicing the Council. Mr. Davidson said this work would feed into the work on the AAL and would have a bearing on the work by the Audit Commission in relation to the Use of Resources.

RESOLVED that the panel considered and noted the contents of the 2008/09 Annual Audit letter.

40. One Place Managing Performance

Mr. Ian Davidson, supported by Mr. Paul King remained for this item. Mr. Davidson gave a comprehensive presentation of the report One Place – Managing Performance.

Councillor Scott-Boutell arrived at the meeting during the discussion on this item.

In response to Councillor Oxford, Mr. Davidson said the title 'One Place' was used in an effort to improve accessibility and understandability for local residents. People logging on to the Audit Commission's 'One Place' website would be able to access Audit Commission reports for all public organisations across the whole country, with all appropriate links provided. Mr. Davidson said the new website had already received 1.2 million hits so far.

In reference to Managing Our Business, Mr. King confirmed to Councillor Manning that the

Council had received a rating of 2 out of 4 and this rating was influenced in part by the work associated with the Visual Arts Facility.

In response to Councillor Willetts enquiry about the impact of the Audit Commission Assessment by the reduced Haven Gateway Funding, Mr. Davidson said the Audit Commission will look at outcomes and how issues were addressed, based on the available resources. Mr. Davidson said Colchester was well plugged in to what is needed.

In regards to 'Homes for All', and Councillor Willetts remark that at Colchester relet times are not as low as many other authorities because at Colchester we prepare lets to a higher standard that takes extra time to complete, Mr. Davidson said the Audit Commission does sometime refer to indicators as a gauge, but also they do look at the rounded picture, that it was not always about an absolute.

The Chairman thanked Mr. King and Mr. Davidson for attending the meeting, presenting their reports and responding to Member's questions.

The Chair also thanked Mr. King for his work and support in his capacity as the Audit Commission's District Auditor for the last five years, a position that under the Audit Commission rules needed to be rotated every five years. Mr. King confirmed that the new District Auditor would be Ms. Debbie Hanson.

RESOLVED that the panel noted the One Place Managing Performance judgement.

41. Grounds Maintenance Contract

Mr. Bob Penny, Parks and Recreation Manager, attended the meeting and introduced the report on the Grounds Maintenance Contract.

Mr. Penny responded to questions from Councillor Goss, who had requested this review in 2009.

Mr. Penny said Grounds Maintenance Contractors always litter pick prior to grass cutting and when carrying out shrub border maintenance, but do not do any other litter picking above those visits. It was confirmed that the more frequently grass is cut the cheaper the cost becomes, due to the type of machinery required, the speed of the maintenance operation and with little or no grass cuttings clearance required.

Mr. Penny confirmed that when the Grounds Maintenance Contracts were outsourced, the then Council staff were transferred to the contractor under the TUPE arrangements, and there remains a large percentage of these staff still employed by the contractor(s).

Mr. Penny acknowledged the problems with new sites been transferred from developers to the Council. It was confirmed that a meeting between officers and contractor is immediately done, once confirmation of the transfer is acknowledged. Handing over a site by the developer to the required standard is often a frustrating business, though in most cases the developer employs a Clerk of Works to prepare a site for handover, as was the case with the Northern Approach Road.

Mr. Penny confirmed to Councillor Arnold that the Council now maintains the open spaces on each side of the Northern Approach Road, though the legal handover process is still being undertaken by Administrators due to the Developer going into Administration. Mr. Penny said there was money received from the original developer, to provide maintenance and tree replacement in this area.

In response to Councillor Willetts, Mr. Penny said no default or rectification notices had been issued to the Council's contractors. The Council's relationship with the contractor was very good, and where a notice or acknowledgment of an issue is raised, the contractor has always reacted

positively and with immediate effect.

Mr. Penny confirmed that during bouts of very poor weather, as recently experienced, the contractors visit sites such as Sheltered Housing Blocks to clear snow from access paths. Members commended what was an excellent idea.

The discussion closed, with the Panel noting the good contractual arrangements in place.

The Chairman thanked Mr. Penny for attending the meeting and responding to questions from Members.

RESOLVED that the panel noted the arrangements in place relating to the grounds maintenance contract.

Councillor Arnold (in respect of being a Member of Great Horkesley Parish Council), and Councillor T Higgins (in respect of being a Member of Essex County Council) both declared a personal interest in the following item.

42. 2010/11 Revenue Budget and Medium Term Financial Forecast

Councillor Paul Smith, Portfolio Holder for Resources, Diversity, Culture and the Arts, Mr. Charles Warboys, Head of Resource Management and Mr. Sean Plummer, Finance Manager attended the meeting for this item. Councillor Smith introduced the report '2010/11 Revenue Budget and Medium Term Financial Forecast' .

Mr. Plummer confirmed to Councillor Willetts that the forecast outturn underspend for 2009/10, £699,000, as illustrated in appendix F of the report, should show as a positive carry forward figure (without brackets).

Councillor Smith confirmed to the panel that he believed the £1,500,000 General Fund Balance was a prudent level of reserve.

Councillor Smith confirmed to Councillor Higgins that there are cost pressures on the Cemetery and Crematorium services and these would be addressed as part of the review currently taking place in the Service Area.

Councillor Harris congratulated the Cabinet on the addition of the 'Graffiti Clean Up' as a growth item, earmarking £55,000 for this work. Councillor Arnold concurred with the remarks of Councillor Harris, adding that this was probably one of the first occasions that the Strategic Overview and Scrutiny Panel has produced unanimous support (at its November 2009 review) to undertake this work.

Councillor Smith said he believed the income projections for 2010/11 is a robust, prudent and realistic estimate, given the current economic downturn. Mr. Warboys said the Budget included a number of risks and assumptions, though the level of Government grant funding was confirmed for the new budget.

Councillor Smith and Arnold agreed that the lateness in receiving confirmation of major funding items such as the Housing Planning Delivery Grant in December made the budgetary process timing very difficult, though Councillor Arnold hoped all groups would in the future work together to try to ensure proper scrutiny in a timely manner.

Ms. Wain, Executive Director confirmed to the panel that the saving on Marketing (within the Executive Service Area), a sum of £10,500, was earmarked for working with partners on long term planning, and was a one-off reduction for 2010/11. This saving would have no effect on the

other individual service areas marketing budgets.

Members of the panel raised concerns about a number of budget entries that like the aforementioned marketing saving of £10,500, showed little or no detail about the specific tasks to be cut or the impact and/or risks of these cuts. Councillor Arnold was supported by other Councillors in saying that he wanted to see greater detail in many areas of the report, for example, appendix I, showing the Schemes recommended for Removal, so the panel could undertake a more informed judgment of the budget process. Later in the discussions, Councillor Smith explained to Councillor Arnold the Cabinet's reasoning for the removal of the aforementioned schemes, and confirmed to Councillor Ellis that the £30,000 saving within Strategic Policy and Regeneration was a cut in funding to the Cycle Tour, due to no financial commitment from Essex County Council, but this would not impact on the joint £2.1 million funding of Colchester's Cycle Town project.

Councillor Scott-Boutell requested further detail on the marketing saving, in terms of who are the partners and the impact of making this saving.

Councillor Smith confirmed to Councillor Foster that the Essex Legal Services Partnership was an Essex wide consortium that through economies of scale was able to provide legal services more cost effectively, but should there be an issue with the quality of the service provided then this will be addressed collectively. Mr. Plummer said the £29,000 saving was split into two areas, £13,000 Legal Services staff reduction, and £16,000 savings in the cost of specific legal services provided to all service areas.

Councillor Smith confirmed that the Mayoral reception saving of £1,700 would be a decision taken by Council, though the Mayor would be consulted out of courtesy and before the Council decision is made.

Mr. Plummer confirmed to Councillor Ellis that predicted income was based on the extrapolation of 2009/10 data, a method used in previous years. Later in the discussions, Councillor Smith responded to Councillors Arnold and Ellis, saying there is no certainty around the level of income or savings built into the budget, but he believed a realistic judgment had been made. Councillor Smith said increases in car parking fees would only occur at some and not all car parks. Councillor Smith, in response to Councillor Ellis, also said the budget provided for a prudent level of reserves, but should the post election Government introduce further grant cuts in 2010/11 the Council will need to look at these reserves to balance the accounts.

Councillor Smith said the £60,000 increased income on Markets, within Street Services, was based on the potential to improve the Colchester market, following comparative work undertaken on other markets, for example, the Ipswich model that provided additional market days.

Councillor Smith understood Councillor Arnold's concerns that front line services such as Waste Collection are, in financial terms, under pressure to deliver their services on a static budget at a time when the pressure of ever increasing demands is a reality. Councillor Smith said the reality was these pressures are happening to most organisations, private and public. Aside from the budget issues, both Councillor Smith and Arnold congratulated Waste Services staff on their continued excellent service through the recent snow and icy conditions.

Mr. Plummer confirmed to Councillor Harris that the pension cost pressure figure of £250,000 had been difficult to predict, but was an indicative figure based on information supplied by Essex County Council. A review was currently been undertaken at County, and the results will not be known until October.

In response to Councillor Willetts, Councillor Smith said one-off cost pressures are not spread across future years, that by budgeting on a year on year basis it helped to reduce the deficit in

future years.

Councillor Smith confirmed to Councillor Oxford that the Disabled Facilities Grant would be immediately available to meet demand. Councillor Oxford said he was pleased that the budget had earmarked funding for the installation of new DDA Hearing Loop in the Town Hall. Councillor Smith said details of this project, once determined, would be informed to members.

RESOLVED that the panel noted the Cabinet report on the 2010/11 Revenue Budget that forms the decision to be taken by the Cabinet on the 27 January 2010.

43. Treasury Management Strategy Statement

Mr. Steve Heath, Finance Manager attended the meeting and introduced the report on the 2010/11 Treasury Management Strategy Statement.

Mr. Heath confirmed to Councillor Foster that the Council's Investment Policy, as shown in Appendix B of the report, illustrated the Council's low appetite for risk.

In reference to external versus internal borrowing, Mr. Heath, in response to Councillor Willetts said the Council's cash flow is monitored on a daily basis and projected forward to a year in advance, which ensures through forward planning, a sufficient cash flow. The Council currently has a difference of £18.5m between gross and net debt, a figure that was £30m prior to the current strategy, and lowered due to the purchase of Rowan House. Being encouraged to reduce our debt will reduce the Council's exposure to risk and provide a more joined-up approach to borrowing.

In response to Councillor Ellis, Mr. Heath said that in regards to reimbursement from the Icelandic banks, original advice from CIPFA was that it was predicted that 95% of the amount owed would be repaid, a figure reduced to 83% shortly after. More recently, this figure has been realistically increased to 88%. That said, Mr. Heath also said that whilst the first repayments were forecasted to be paid in 2010, the first tranche of money is now not expected until 2011.

RESOLVED that the panel commented on and noted the 2010/11 Treasury Management Strategy, Minimum Revenue Provision Policy and Annual Investment Strategy prior to consideration by Cabinet and Council as part of the 2010/11 Budget Report.

44. Work Programme 2009/10

Mr. Robert Judd, Scrutiny officer confirmed that the progress review of the Free Freighter Service would be undertaken at the meeting on 23 March 2010.

Mr. Judd also confirmed that he would provide the Panel's Group Spokespersons with a draft of the progress report on the Capital Improvement Programme prior to publication.

RESOLVED that the panel noted the work programme 2009-10.



Finance & Audit Scrutiny Panel

Item
10

23 February 2010

Report of

Head of Resource Management

Author

Hayley McGrath
508902

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 2009/10 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

- There have been no changes to the strategic risks since the last report.
- The strategic risk register has been revised to demonstrate pre and post mitigation risk scores.
- Details of high level operational risks will be included in future reports.

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 change assessment processes. 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. 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.
- 4.6 Identified risks, in all three categories, are judged against levels of probability and impact to give them an overall score. This allows the risks to be shown as 'high, medium or low' which enables a prioritised action plan to be set for managing risks. There are insufficient resources to be able to reduce all risks - and in some cases it would not be cost effective. Therefore resources are more effectively targeted at the high, and in some cases medium, risks. Categorising an issue as 'high risk' indicates that it would have a fundamental effect on the Council, if it occurred, and therefore plans need to be put in place to either stop it happening or reducing the effect if it does. High risk does not mean that it has, or will definitely, occur.
- 4.7 In many cases the causes of risks are outside of the Council's control, such as general economic issues. The Council cannot stop these risks from occurring (the probability score) but can put plans in place to mitigate against their effect if they occur (the impact score). Likewise there are occasions that risks can be reduced with preventative actions but there is not much that can be done to mitigate their effect if they do occur, such as a failure to protect public resources. Therefore some risks will tend to maintain the same score, regardless of the controls that the Council puts in place.

5. Latest Risk Management Issues

- 5.1 There are two items, in addition to the action plan issues, to report this quarter:
- 5.2 Work has been carried out with the officers of the Joint Museum Partnership to create a specific risk register for the service and to develop their risk management processes. This is separate to the Council's risk registers and is owned by the joint committee.
- 5.3 The project risk management process had not been fundamentally reviewed since it was implemented in 2003. This had resulted in the process becoming cumbersome with both risk management and project management issues being included on the registers. Therefore a review of the process has been carried out in conjunction with the renaissance project staff. The project managers have helped to shape a more streamlined process that concentrates on true risk issues - as opposed to normal project deliverables. It has been recommended that each project will have an individual register that is created at the business case stage and is updated continuously during the life of the project, and shared with partners. These project registers will be used to create a strategic register, of high level issues, that is reported up to the Renaissance Project Board, where partners are represented at senior level. The project managers are currently reviewing the registers and further details will be provided to yourselves in due course.

6. Action plan Implementation

6.1 The action plan for 2009/10 consists of four items, these are summarised below:

Action	Status	Comments
Complete the revised operational risk registers	In hand	The registers have been reviewed and final versions are being agreed by the group management teams.
Development of a Members risk register.	In hand	A draft register has been drawn up and it being reviewed in line with recommendations from the Association of Local Authority Risk Managers.
Setting of performance indicators	In hand	The results of the work undertaken by the Essex Risk Managers group is due to be released in early March. This will include suggested performance indicators so that the group can carry out an annual benchmarking exercise.
Review of guidance available for staff and members	Complete	The documents have been reviewed and revised where appropriate. Work is no being undertaken as part of a wider Corporate Governance review to ensure that they are all available on the Hub and the external website.

7. Strategic Risk Register

The register was reviewed by the Performance Management Board (PMB) on 18 January. The agreed strategic register for quarter 4 is attached at appendix 1 with the score chart attached at appendix 2.

The format of the register has been revised to include 'previous' scores for each risk, in effect the 'pre' and 'post' mitigation scores. Whilst there were no amendments to the score following on from the PMB review in January, this will show how the risks have changed over time.

Now that the operational risk registers have been revised it was also agreed by the PMB to include an appendix to the strategic register that shows the high level risks from each service. An *example* of this has been included with this quarters register for information.

8. Proposals

8.1 To note and comment upon the Councils progress and performance in managing risk during the period from October to December 2009.

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, Equality and Diversity, Community Safety or Health and Safety implications as a result of this report.

Colchester Borough Council – Corporate Strategic Risk Register
Quarter 4 2009/10 - January 2010

Specific Risks		1. AMBITION					ACTION PLAN – AMBITION		
		SCORE					Action	Owner	Timing
		CURRENT	PREVIOUS						
P	I	O	P	I	O				
1.a	Failure to adequately redirect the strategic vision and move the resources required to support it.	2	3	6			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	Ongoing annual review process.
1.b	Unrealistic expectations (both internally and externally) regarding speed of delivery.	3	3	9			Develop a structured reporting process to ensure that direction and priorities from Cabinet are communicated effectively to relevant officers.	Chief Exec	Ongoing
1.c	The Council is unable to effectively respond to changes in the Borough economy both internally and externally.	2	5	10			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			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	Annual Budget Process
							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	
	CURRENT			PREVIOUS			o	P	I					o
	P	I	o	P	I	o								
2.a The Council fails to understand and consult its customers.	1	2	2								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.b A lack of political awareness amongst officers could lead to a failure to support our elected members.	3	4	12								A programme to improve levels of political awareness has been developed and will be implemented shortly. This will enhance relationship between officers and elected members.	E.D. Customer Excellence	July 09	
2.c The Council fails to enhance the skills of its people to deliver customer excellence.	1	3	3								Staff become disengaged with the customer excellence programme and the link to service improvement.	E.D. Customer Excellence	Ongoing	
2.d The Council fails to develop and align the customer excellence programme, in phase four, with the Way We Work.	1	3	3								Customer Excellence will become irrelevant to the Way We Work and loses its profile as a top corporate priority to drive improvement.			

3. GENERAL MANAGEMENT		ACTION PLAN – GENERAL MANAGEMENT									
		Specific Risks	SCORE			Consequence	Action	Owner	Timing		
			CURRENT	PREVIOUS	PREVIOUS						
P	I	O	P	I	O						
3.a	2	2	4			Service delivery failure.	Develop capacity planning and monitoring plans to anticipate needs.	Head of Corporate Management	Autumn 2009		
3.b	2	4	8			Financial and reputational loss. Personal liability of Officers and Members.	Ensure effective communications strategy and execution.	Head of Corporate Management	Plans included in GSP May 2009		
3.c	2	4	8			Disengaged and demotivated staff. Legal action against the Council. Loss of stakeholder confidence in the Borough leading to reduced partnership involvement in delivery.	Ensure people strategy is developed and executed effectively	Head of Corporate Management	Strategy agreed April 2009		
3.d	2	4	8			High staff turnover, high cost of delivery. Efficiency and productivity reduction.	Ensure Organisational Development is clearly defined and monitored within WWW. Programme/ Ensure performance management process is effectively implemented and monitored to include development needs and plans.	Executive Director Customer Excellence Head of Corporate Management	Ongoing		
3.e	4	3	12			Inability to meet changing requirements and needs. Enforcement action by regulators.	Active promotion and use of Colchester Learning Managers programme and development to meet evolving needs.	Head of Corporate Management	Ongoing		
3.f	3	4	12				Ensure ICT strategy is developed in conjunction with Service plans and promote industry best practice in IT service management in internal organisation.	Head of Corporate Management	ICT strategy agreed.		
3.g	2	4	8				Ensure the Performance Dashboard process is used effectively to monitor and remediate performance.	Head of Corporate Management	Ongoing		

4. HORIZON SCANNING										ACTION PLAN – HORIZON SCANNING			
Specific Risks	SCORE									Consequence	Action	Owner	Timing
	CURRENT			PREVIOUS			P	I	O				
	P	I	O	P	I	O							
4.a Requirements of Local Government reorganisation (opportunity & threat)	2	4	8								Ensure organisational readiness to respond to external challenges through the Way We Work programme strands: - People - IT/ flexible working - Customer Excellence - Place Shaping Supported by a robust Medium term Financial strategy and organisational development strategy.	E.M.T.	On-going agenda items
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								If not properly managed then either the Council will lose the opportunity to develop further or will have enforced changes to service delivery. Adverse impact on local residents / resources. Missed opportunities to boost tourism / economy. Conflict between Council / Government agendas. Reduction in levels of service provision and potential withdrawal of services.		
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										
4.e Potential impact of future central government decisions to reduce public funding.	3	5	15										

5. PARTNERSHIPS				ACTION PLAN – PARTNERSHIPS			
Specific Risks	SCORE			Consequence	Action	Owner	Timing
	CURRENT		PREVIOUS				
	P	I	O				
5.a	4	3	12	The cost of service delivery is increased however quality decreases. Failure to deliver key priorities.	Assess proposed strategic partnerships to ensure that they will satisfy the Council's objectives before commitment to new partnerships is made.	EMT	Ongoing as part of partnership strategy.
5.b	3	2	6	Reputational and financial loss by the Authority. Failure to deliver expected outcomes through partnerships	Define a relationship / performance management process for partnerships	ED People & Performance	Partnership strategy has been developed and approved by Cabinet.
5.c	3	2	6	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.	Ensure that there is a mechanism to review partnerships and assess the value added.	ED People & Performance	

Specific Risks		6. ASSETS & RESOURCES					ACTION PLAN – ASSETS & RESOURCES				
		SCORE					Consequence	Action	Owner	Timing	
		CURRENT		PREVIOUS							
P	I	O	P	I	O						
6.a	Failure to protect public funds and resources – ineffective probity / monitoring systems.	2	5	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	There is an ongoing cycle of reviewing and reporting including internal Audit, Risk management and the AGS	
6.b	There is no corporate strategic approach to repairs and renewals that links to an asset plan.	4	3	12							
6.c	Failure to develop innovative funding streams.	3	2	6			Loss of stakeholder confidence in the Borough	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	Monthly reports to PMB. Quarterly reports to FASP	
6.d	Failure to set aside sufficient capital funds for major projects – insufficient allowance for contingency issues.	3	2	6			Inability to sustain costs Failure to deliver a balanced budget.	Develop the annual budget strategy to ensure it has controls built in to be able to respond to changes in the strategic objectives.	Head of Resource Management	Annual exercise. Council approves budget in February	
							Required to use Reserves & Resources to fund services and support Renaissance programme without ability to 'top-up'. Severe impact on cash-flow leading to negative effect on performance targets.	Review the medium term financial outlook and capital programme processes to ensure they are kept up to date and realistic.	Head of Resource Management	MTFS is part of the budget strategy & considered during the process. Capital programme reported to FASP quarterly	

KEY OPERATIONAL RISKS – Example for discussion

SERVICE	RISK	SCORE	CONSEQUENCE	CONTROLS	RESPONSIBILITY	TIMING
Corporate Management	Failure to comply with statutory duties (e.g. health and safety, freedom of information, data protection)and failure to comply with The Constitution.	48	<ul style="list-style-type: none"> Financial and reputation loss to the service, and to the Council. Injury to staff. Complaints and potential threat of legal action Prosecution of staff 	<ul style="list-style-type: none"> Ensure that the responsibility for the health and wellbeing of staff is properly allocated within the service. Ensure that there is adequate training for staff, at all levels, to understand their responsibilities. Ensure that information is up to date and available to all staff on the Hub (intranet) 	Head of Corporate Management	ongoing
Corporate Management	Unplanned emergency expenditure on repairs and maintenance of buildings	36	<ul style="list-style-type: none"> Lack of resources to fund essential items of expenditure or deliver on agreed targets. Cuts in service provision. 	<ul style="list-style-type: none"> Work with Estates to ensure Asset Management Plan is up to date. 	Head of Corporate Management	ongoing
Life Opportunities	Inadequacy of Repairs and Renewals provision.	80	Reduction or closure of services due to failure of plant, equipment or infrastructure.	Funding programmes presented during budget setting process.	GMT	Jan budget setting
Life Opportunities	Significant loss of customers.	80	Reduction in income leading to cuts in service provision, negative impact on customers and reputation	Continuous review and improvement of use / satisfaction and level/type of service provision / competitors Insurance against disasters.	GMT	Ongoing

RISK MATRIX QUARTER 4 2009/10 - JANUARY 10

Low Risks	Medium Risks	High Risks
-----------	--------------	------------

Scoring 1-5

Risk Tolerance Line

Probability of Occurrence	5 Very High					
	4 High			<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 2px;">3e</div> <div style="border: 1px solid black; padding: 2px;">4b</div> </div> <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <div style="border: 1px solid black; padding: 2px;">5a</div> <div style="border: 1px solid black; padding: 2px;">6b</div> </div>		
	3 Medium		<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 2px;">5b</div> <div style="border: 1px solid black; padding: 2px;">5c</div> </div> <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <div style="border: 1px solid black; padding: 2px;">6c</div> <div style="border: 1px solid black; padding: 2px;">6d</div> </div>	<div style="border: 1px solid black; padding: 2px; width: 30px;">1b</div>	<div style="border: 1px solid black; padding: 2px; width: 30px; margin-bottom: 5px;">2b</div> <div style="border: 1px solid black; padding: 2px; width: 30px;">3f</div>	<div style="border: 1px solid black; padding: 2px; width: 30px;">4e</div>
	2 Low		<div style="border: 1px solid black; padding: 2px; width: 30px; margin-bottom: 5px;">3a</div> <div style="border: 1px solid black; padding: 2px; width: 30px;">4c</div>	<div style="display: flex; justify-content: space-around; margin-bottom: 5px;"> <div style="border: 1px solid black; padding: 2px; width: 30px;">1a</div> <div style="border: 1px solid black; padding: 2px; width: 30px;">1d</div> </div> <div style="border: 1px solid black; padding: 2px; width: 30px; margin-left: auto; margin-right: auto;">4d</div>	<div style="border: 1px solid black; padding: 2px; width: 30px; margin-bottom: 5px; margin-left: auto;">3b</div> <div style="display: flex; justify-content: space-around; margin-bottom: 5px;"> <div style="border: 1px solid black; padding: 2px; width: 30px;">3d</div> <div style="border: 1px solid black; padding: 2px; width: 30px;">3c</div> </div> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 2px; width: 30px;">3g</div> <div style="border: 1px solid black; padding: 2px; width: 30px;">4a</div> </div>	<div style="border: 1px solid black; padding: 2px; width: 30px; margin-bottom: 5px; margin-left: auto;">1c</div> <div style="border: 1px solid black; padding: 2px; width: 30px;">6a</div>
	1 Very Low		<div style="border: 1px solid black; padding: 2px; width: 30px;">2a</div>	<div style="border: 1px solid black; padding: 2px; width: 30px; margin-bottom: 5px; margin-right: 10px;">2d</div> <div style="border: 1px solid black; padding: 2px; width: 30px;">2c</div>		

Finance and Audit Scrutiny Panel

Item
11

23 February 2010

Report of	Head of Resource Management	Author	Sean Plummer ☎ 282347
Title	Financial Monitoring Report – April to December 2009		
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 2009/10

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 2009/10.

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 2009, 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 net underspend of £620k. The Housing Revenue Account position is a forecast net underspend by £470k.

4. General Fund – Position to 31 December 2009

Service Budgets

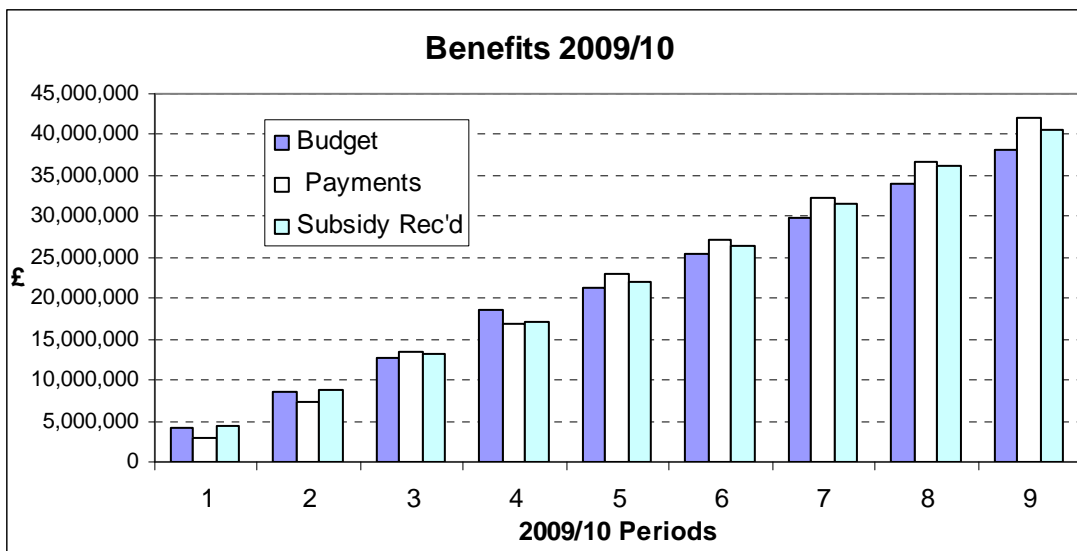
- 4.1 **Appendix A** summarises the Council-wide position by expenditure group and by Service Group. The net position shows a variance against profiled budget for General Fund Services (excluding benefits) of £1,015k (favourable). This comprises total expenditure being £1,141k lower than expected and less income than expected totalling £126k. **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 Panel should note that variances against the profile budget do not necessarily mean that this will be the position for the year (this is covered in Section 5 of the report). Given that we are close to the year end the focus of this report is now on the year end outturn forecast.

4.4. Benefits payments are not shown in Appendix A to avoid distorting the reported position for Service Groups. However, in response to this issue being raised by the Panel at the meeting in August, the following shows payments made in the first 9 months compared to the original budget and the actual level of subsidy received. 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 £678k were built into the 2009/10 budget. The targets and position to date are shown below and indicates that continued progress has been made. The forecast outturn against these targets is considered at paragraph 5.8 and shows:-

	Target	Identified for year to date
	£'000	£'000
Salary Budgets	515	251
Procurement Savings	93	93
Income Generation	70	10
Total	678	354

4.6. At the meeting of this Panel in August it was requested that consideration be given to introducing commentary within the future reporting of corporate savings, to show the impact of work on the organisation of salary savings. First, it is helpful to note that salary savings arise primarily due to savings made through staff turnover. This may include any gap between a member of staff leaving and a new one starting and also any change in the salary cost. The following table shows the service areas where salary savings have been made compared to the total employee budget. This helps to illustrate the savings as a proportion of the total employee budget.

	<i>Budget for Year</i>	<i>Salary Saving</i>
	£'000	£'000
Corporate Management	2,626	23
Customer Service Centre	1,089	23
Environmental & Protective Services	5,408	76
Life Opportunities	5,639	59
Resource Management	3,444	25
Strategic Policy and Regeneration	1,789	12
Street Services	7,002	34
	26,997	251

5. Outturn Forecast / Risk Areas

- 5.1 The updated forecast outturn for 2009/10 is a net underspend of £620k as summarised in the following table:-

	£'000	
Service budgets	(289)	See paras. 5.2 – 5.3 and Appendix C
Technical Items / Mitigating action	(281)	See paras. 5.4 – 5.8
Potential net underspend	(570)	
Adjustment for Museums c/f	(50)	The joint museum service agreement provides for any overspend above £100k to be adjusted within the following year's budget.
Overall net underspend	(620)	

Service Budgets

- 5.2 The following table sets out the forecast outturn for all service areas. This shows a net forecast underspend of £289k

Service	Forecast outturn £'000
Customer Service Centre	On budget
Executive Management Team	12 under budget
Resource Management	21 under budget
Strategic Policy and Regeneration	21 under budget
Corporate Management	132 under budget
Environmental and Protective Services	132 under budget
Life Opportunities	45 over budget
Street Services	78 over budget
Energy Savings across services	94 under budget
Total all services	289 under budget

- 5.3 Appendix C sets out details of all forecast variances against service budgets at the year-end totalling £289k.

Corporate / Technical Items

- 5.4. The budget includes a number of corporate and technical budget areas such as net interest earnings, the provision to repay debt, pension costs and some non service

specific grants. The main risk area where a shortfall of c£700k is currently forecast is our net interest earnings.

- 5.5. The position in respect of the Council's net investment earnings was reported to the Panel at the budget review in August and November. The shortfall is forecast due to the historic low investment rates currently available. Steps continue to be taken to try to minimise the impact of the reduced investment income such as through deferral of new borrowing in favour of disinvestment, however, the shortfall has been due to factors outside our direct control.
- 5.6. The 09/10 budget included assumptions regarding two Government grants as follows:
 - Housing Planning and Delivery Grant (HPDG)
 - Local Authority Business Growth Incentives (LABGI)
- 5.7. As previously reported the LABGI grant for this year will be achieved. The provisional HPDG was announced in early December, 4 months later than anticipated. The grant was significantly more than budgeted at £1.46m compared to the budget of £250k. Some funding from the increased HPDG has been agreed in year resulting in net additional income of £1.121m.
- 5.8. As shown at paragraph 4.5 progress has been made towards achieving the corporate targets in the budget. At the last review in November a total of 35% of the target had been identified and now 52% has been achieved. However, it is evident that the total target will not be achieved. In respect of salary savings this is mainly due to low levels of staff turnover. Therefore a shortfall of £200k is reflected in the forecast outturn and a shortfall of £60k in respect of the income target.
- 5.9. Finally, there is a £120k saving from funds set aside from the regeneration reserve and a car parking review which has been agreed can be reduced to mitigate cost pressures in this year.

Main Risks to current forecast

- 5.10. The 2009/10 Revenue Budget report that was approved by Council in February 2009 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. The current position for the key areas is detailed in Appendix D and these areas will continue to be monitored monthly by Senior Management Team (SMT). The main risks will be concerning the level of income in a number of areas where cost pressures remain and forecasting contains a number of assumptions.

Summary position

- 5.11. The net forecast outturn shows a potential net underspend of £620k. The 2010/11 budget was set on the basis of an underspend of £699k. This has been proposed to use to support next year's budget. Should the outturn fall below this level then it will result in balances being less than the recommended level and action to reinstate them would need to be planned for.
- 5.12. SMT continues to monitor the budget position on a monthly basis and in view of the budget forecast continues to take action to minimise the risk of a budget deficit this year through critical review of any vacant posts, providing support to budget managers in controlling budgets and in general through active budget management and focusing on costs and income. The Panel will receive a report on the 2009/10 outturn in June 2010.

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 E** shows that at the end of December

2009, the HRA is underspent by £472k compared to the budget for the same period. This is primarily due to lower expenditure on Employee costs (£129K), Premises costs (£182k), Supplies & Services costs (£102k) and Support Services costs (£42k). The current projected outturn for the HRA is that it will be under budget by £470k. 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, but also reflects the lower than budgeted pay award for 2009/10. The current year-end outturn prediction is that there will be an underspend on Employee costs of £150k.
- 6.3 Premises related costs are showing an underspend of £182k as at the end of December 2009. Overall, there is an underspend of £61k on Repairs and Maintenance. Colchester Borough Homes are regularly producing a re-profile of expenditure for the remainder of the financial year, and as a result there are no significant variances in this area. Therefore, the majority of this underspend relates to repairs and maintenance of pumping stations, Homeless Persons Units and other delegated budgets. There is an underspend of £72k on Grounds Maintenance budgets relating to the timing of expenditure at the end of December. There is an underspend of £76k on Utility and Water costs. A forecast outturn underspend of £377k is predicted for the year on Premises costs. £250k of this reflects the anticipated level of funds which will not need to be released to CBH in the final Quarter of the financial year, given the services being provided in the current Deed of Variation. It is currently assumed that this resource will be subject to a request for carry forward into 2010/11 to deliver Repairs and Maintenance works as opposed to it being used to increase the HRA balance, however the final decision on this will be made as part of the 2009/10 closure of accounts process. The balance of £127k reflects the anticipated underspend arising from lower utility costs than assumed within the budget and savings made from the re-tender of the cleaning contract.
- 6.4 There is a general underspend across most Supplies and Services budget headings at the end of December. Support service costs are underspent by £42k at the end of December. The HRA receives recharges from a number of services and given the level of expenditure currently experienced within these areas as at December 2009, there is a resultant impact upon the HRA for recharges from these services. There is a forecast outturn underspend of £40k which reflects the anticipated impact the lower than budgeted pay award for 2009/10 has on recharges to the HRA.
- 6.5 There is a £25k under-recovery of income at the end of December 2009. This has primarily arisen due to the combination of less Service Charge income from Tenants and Leaseholders and less income from Court Fees than budgeted. It is currently predicted that there will be an under-recovery of income of £97k at the year-end, but this will mainly be influenced by the level of void properties and garages for the remainder of the financial year.
- 6.6 Any expenditure on the Housing Capital Programme (HCP) 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 2009/10 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 2009/10 revenue budget report that was approved by Council in February 2009 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

Budget Monitoring Summary - Period 9 2009/10

Current Period - December 2009

Full Year Position

Account Description	Current Period - December 2009			Full Year Position			
	Budget to Period 9 £'000	Actual to Period 9 £'000	Variance (fav) / adv £'000	Annual Budget £'000	Projected Outturn £'000	Variance (fav) / adv £'000	Variance %
By Subjective Group							
Employees	20,743	20,638	(105)	27,695	27,724	29	0.10%
Premises Related	6,430	5,753	(677)	8,123	8,028	(95)	(1.17%)
Transport Related	1,329	1,301	(28)	1,637	1,629	(8)	(0.49%)
Supplies & Services	8,234	7,804	(430)	11,131	10,894	(237)	(2.13%)
Third Party Payments	1,613	1,626	13	1,874	1,863	(11)	(0.59%)
Transfer Payments	1,830	1,918	88	2,537	2,589	52	2.05%
Capital Financing Costs	5	3	(2)	147	147	-	-
Subtotal Expenditure	40,184	39,043	(1,141)	53,144	52,874	(270)	(0.51%)
Government Grant	(1,497)	(1,518)	(21)	(2,234)	(2,234)	-	-
Other Grants & Reimbursements	(3,237)	(3,360)	(123)	(4,514)	(4,509)	5	(0.11%)
Customer & Client Receipts	(15,093)	(14,820)	273	(19,660)	(19,590)	70	(0.36%)
Income-Interest	(3)	(3)	-	(24)	(24)	-	-
Inter Account Transfers	(7)	(10)	(3)	(9)	(9)	-	-
Subtotal Income	(19,837)	(19,711)	126	(26,441)	(26,366)	75	(0.28%)
Total General Fund Services	20,347	19,332	(1,015)	26,703	26,508	(195)	(0.73%)
By Service Group							
Corporate & Democratic Core	237	209	(28)	330	330	-	-
Executive Management Team	342	319	(23)	753	741	(12)	(1.59%)
Corporate Management	5,187	4,997	(190)	6,616	6,484	(132)	(2.00%)
Customer Service Centre	824	821	(3)	1,130	1,130	-	-
Environmental & Protective Services	2,377	2,061	(316)	2,546	2,414	(132)	(5.18%)
Life Opportunities	4,034	3,554	(480)	5,809	5,854	45	0.77%
Resource Management	2,383	2,452	69	3,630	3,609	(21)	(0.58%)
Strategic Policy & Regeneration	2,437	2,382	(55)	3,052	3,031	(21)	(0.69%)
Street Services	2,526	2,537	11	2,837	2,915	78	2.75%
Subtotal General Fund Services	20,347	19,332	(1,015)	26,703	26,508	(195)	(0.73%)
Housing Revenue Account	(3,010)	(3,482)	(472)	(143)	(613)	(470)	328.67%

Budget Monitoring Report for All Services - Period 9 2009/10

Account Description	Democractic Core		EMT		Corporate Mgt		CSC		Env. & Protective		Life Opps		Resource Mgt.		Strategic Policy and Regen		Street		Total £'000
	ACDC £'000	Core	AMGT £'000	green	CORM £'000	green	CUST £'000	ENPR £'000	LIFE £'000	RSMN £'000	SPRE £'000	STSE £'000	STSE £'000	Total £'000					
EXPENDITURE																			
EMPLOYEES																			
Profiled Budget to Date	-		522	green	1,976	green	809	4,035	4,243	2,577	1,349	5,232	20,743						
Actual to Date	-		521		1,958		809	3,984	4,274	2,558	1,319	5,215	20,638						
Variance to Date	green		(1)	green	(18)	green	-	(51)	31	(19)	(30)	(17)	(105)						
Annual Budget	-		698		2,626		1,089	5,408	5,639	3,444	1,789	7,002	27,695						
Projected Outturn	-		698		2,620		1,089	5,402	5,655	3,444	1,789	7,027	27,724						
Variance	-		-		(6)		-	(6)	16	-	-	25	29						
PREMISES																			
Profiled Budget to Date	-		-		1,410		-	623	2,871	285	74	1,167	6,430						
Actual to Date	-		-		1,306		-	567	2,550	180	67	1,083	5,753						
Variance to Date	green		-	green	(104)	green	-	(56)	(321)	(105)	(7)	(84)	(677)						
Annual Budget	-		-		1,603		-	816	3,894	325	82	1,403	8,123						
Projected Outturn	-		-		1,539		-	788	3,896	325	77	1,403	8,028						
Variance	-		-		(64)		-	(28)	2	-	(5)	-	(95)						
TRANSPORT																			
Profiled Budget to Date	-		5		21		-	72	26	11	37	1,157	1,329						
Actual to Date	-		1		24		-	74	19	9	17	1,157	1,301						
Variance to Date	green		(4)	amber	3	green	-	2	(7)	(2)	(20)	-	(28)						
Annual Budget	-		7		28		-	97	34	14	52	1,405	1,637						
Projected Outturn	-		7		26		-	91	34	14	52	1,405	1,629						
Variance	-		-		(2)		-	(6)	-	-	-	-	(8)						
SUPPLIES & SERVICES																			
Profiled Budget to Date	237		673	green	2,387	green	75	845	1,429	1,066	724	798	8,234						
Actual to Date	209		653		2,297		72	657	1,219	1,126	713	858	7,804						
Variance to Date	amber		(20)	green	(90)	green	(3)	(188)	(210)	60	(11)	60	(430)						
Annual Budget	330		959		3,191		116	1,099	2,046	1,262	986	1,142	11,131						
Projected Outturn	330		947		3,132		116	975	2,072	1,245	970	1,107	10,894						
Variance	-		(12)		(59)		-	(124)	26	(17)	(16)	(35)	(237)						

Budget Monitoring Report for All Services - Period 9 2009/10

Account Description	Democractic Core ACDC		EMT		Corporate Mgt		CSC		Env. & Protective		Life Opps		Resource Mgt.		Strategic Policy and Regen		Street		Total	
	£'000	ACDC	AMGT	CORM	CUST	ENPR	LIFE	RSMN	SPRE	STSE	STSE	£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000
THIRD PARTY																				
Profiled Budget to Date	-	-	107	49	-	36	239	91	733	358	1,613									
Actual to Date	-	-	107	33	-	12	207	103	754	410	1,626									
Variance to Date	-	-	-	(16)	-	(24)	(32)	12	21	52	13									
	green		green	amber	green	amber	amber	amber	green	red	green									
Annual Budget	-	-	8	74	-	64	249	107	801	571	1,874									
Projected Outturn	-	-	8	68	-	61	249	107	801	569	1,863									
Variance	-	-	-	(6)	-	(3)	-	-	-	(2)	(11)									
TRANSFER PAYMENTS																				
Profiled Budget to Date	-	-	-	-	-	-	41	1,789	-	-	1,830									
Actual to Date	-	-	-	-	-	-	73	1,845	-	-	1,918									
Variance to Date	-	-	-	-	-	-	32	56	-	-	88									
	green		green	green	green	green	amber	amber	green	green	amber									
Annual Budget	-	-	-	-	-	-	55	2,482	-	-	2,537									
Projected Outturn	-	-	-	-	-	-	107	2,482	-	-	2,589									
Variance	-	-	-	-	-	-	52	-	-	-	52									
CAPITAL FINANCING																				
Profiled Budget to Date	-	-	-	5	-	-	-	-	-	-	5									
Actual to Date	-	-	-	3	-	-	-	-	-	-	3									
Variance to Date	-	-	-	(2)	-	-	-	-	-	-	(2)									
	green		green	amber	green	green	green	green	green	green	green									
Annual Budget	-	-	-	6	-	-	-	141	-	-	147									
Projected Outturn	-	-	-	6	-	-	-	141	-	-	147									
Variance	-	-	-	-	-	-	-	-	-	-	-									
TOTAL EXPENDITURE																				
Profiled Budget to Date	237		1,307	5,848	884	5,611	8,849	5,819	2,917	8,712	40,184									
Actual to Date	209		1,282	5,621	881	5,294	8,342	5,821	2,870	8,723	39,043									
Variance to Date	(28)		(25)	(227)	(3)	(317)	(507)	2	(47)	11	(1,141)									
	amber		green	amber	green	red	red	green	green	green	amber									
Annual Budget	330		1,672	7,528	1,205	7,484	11,917	7,775	3,710	11,523	53,144									
Projected Outturn	330		1,660	7,391	1,205	7,317	12,013	7,758	3,689	11,511	52,874									
Variance	-		(12)	(137)	-	(167)	96	(17)	(21)	(12)	(270)									

Budget Monitoring Report for All Services - Period 9 2009/10

Account Description	Democractic Core		EMT		Corporate Mgt		CSC		Env. & Protective		Life Opps		Resource Mgt.		Strategic Policy and Regen		Street		Total £'000
	ACDC £'000	Core	AMGT £'000	CORM £'000	CUST £'000	ENPR £'000	LIFE £'000	RSMN £'000	SPRE £'000	STSE £'000	SPRE £'000	STSE £'000	SPRE £'000	STSE £'000	SPRE £'000	STSE £'000	SPRE £'000	STSE £'000	
INCOME																			
GOVERNMENT GRANT																			
Profiled Budget to Date	-	-	-	-	-	(345)	(471)	(606)	(75)	-	(1,497)	-	(606)	(75)	-	(1,497)	-	-	-
Actual to Date	-	-	-	-	-	(351)	(470)	(621)	(76)	-	(1,518)	-	(621)	(76)	-	(1,518)	-	-	-
Variance to Date	green	green	green	green	green	(6)	1	(15)	(1)	green	(21)	green	green	green	green	green	green	green	green
Annual Budget	-	-	-	-	-	(818)	(538)	(803)	(75)	-	(2,234)	-	(803)	(75)	-	(2,234)	-	-	-
Projected Outturn	-	-	-	-	-	(818)	(538)	(803)	(75)	-	(2,234)	-	(803)	(75)	-	(2,234)	-	-	-
Variance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER GRANTS																			
Profiled Budget to Date	-	-	(960)	(31)	(39)	(504)	(643)	(18)	(115)	(927)	(3,237)	-	(18)	(115)	(927)	(3,237)	-	-	-
Actual to Date	-	-	(960)	(19)	(39)	(529)	(663)	(17)	(116)	(1,017)	(3,360)	-	(17)	(116)	(1,017)	(3,360)	-	-	-
Variance to Date	green	green	green	amber	green	(25)	(20)	1	(1)	red	(123)	amber	amber	green	red	(123)	amber	amber	amber
Annual Budget	-	-	(913)	(32)	(50)	(952)	(710)	(25)	(136)	(1,696)	(4,514)	-	(25)	(136)	(1,696)	(4,514)	-	-	-
Projected Outturn	-	-	(913)	(27)	(50)	(952)	(710)	(25)	(136)	(1,696)	(4,509)	-	(25)	(136)	(1,696)	(4,509)	-	-	-
Variance	-	-	-	5	-	-	-	-	-	-	5	-	-	-	-	5	-	-	-
CUST & CLIENT RECPTS																			
Profiled Budget to Date	-	-	(5)	(630)	(21)	(2,382)	(3,701)	(2,812)	(287)	(5,255)	(15,093)	-	(2,812)	(287)	(5,255)	(15,093)	-	-	-
Actual to Date	-	-	(3)	(604)	(21)	(2,350)	(3,655)	(2,731)	(294)	(5,162)	(14,820)	-	(2,731)	(294)	(5,162)	(14,820)	-	-	-
Variance to Date	green	green	amber	green	green	green	green	green	green	green	green	green	amber	green	amber	amber	amber	amber	amber
Annual Budget	-	-	(6)	(860)	(25)	(3,164)	(4,860)	(3,317)	(443)	(6,985)	(19,660)	-	(3,317)	(443)	(6,985)	(19,660)	-	-	-
Projected Outturn	-	-	(6)	(860)	(25)	(3,129)	(4,911)	(3,321)	(443)	(6,895)	(19,590)	-	(3,321)	(443)	(6,895)	(19,590)	-	-	-
Variance	-	-	-	-	-	35	(51)	(4)	-	90	70	-	(4)	-	90	70	-	-	-
INCOME-INTEREST																			
Profiled Budget to Date	-	-	-	-	-	-	-	-	-	-	(3)	-	-	-	-	(3)	-	-	-
Actual to Date	-	-	-	(1)	-	-	-	-	-	-	(2)	-	-	-	-	(3)	-	-	-
Variance to Date	green	green	green	amber	green	green	green	green	green	green	green	green	green	amber	green	green	green	green	green
Annual Budget	-	-	-	(20)	-	-	-	-	-	-	(4)	-	-	-	-	(24)	-	-	-
Projected Outturn	-	-	-	(20)	-	-	-	-	-	-	(4)	-	-	-	-	(24)	-	-	-
Variance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Budget Monitoring Report for All Services - Period 9 2009/10

Account Description	Demographic		EMT		Corporate Mgt		CSC		Env. & Protective		Life Opps		Resource Mgt.		Strategic Policy and Regen		Street	
	Core ACDC £'000		AMGT £'000	CORM £'000	CUST £'000	ENPR £'000	LIFE £'000	RSMN £'000	SPRE £'000	STSE £'000	Total £'000							
INTER ACCOUNT TRANS																		
Profiled Budget to Date	-	-	-	-	-	(3)	-	-	-	-	(4)	(7)						
Actual to Date	-	-	-	-	-	(3)	-	-	-	-	(7)	(10)						
Variance to Date																		
Annual Budget	green	green	green	green	green	green	green	green	green	green	green	green	green	green	green	green	green	green
Projected Outturn						(4)					(5)	(9)						
Variance						(4)					(5)	(9)						
TOTAL INCOME																		
Profiled Budget to Date	-	(965)	(661)	(60)	(3,234)	(4,815)	(3,436)	(480)	(6,186)	(19,837)								
Actual to Date	-	(963)	(624)	(60)	(3,233)	(4,788)	(3,369)	(488)	(6,186)	(19,711)								
Variance to Date		2	37	-	1	27	67	(8)	-	126								
Annual Budget	green	green	amber	green	green	green	amber	green	green	green								
Projected Outturn		(919)	(912)	(75)	(4,938)	(6,108)	(4,145)	(658)	(8,686)	(26,441)								
Variance		-	(907)	(75)	(4,903)	(6,159)	(4,149)	(658)	(8,596)	(26,366)								
TOTAL NET																		
Profiled Budget to Date	237	342	5,187	824	2,377	4,034	2,383	2,437	2,526	20,347								
Actual to Date	209	319	4,997	821	2,061	3,554	2,452	2,382	2,537	19,332								
Variance to Date	(28)	(23)	(190)	(3)	(316)	(480)	69	(55)	11	(1,015)								
Annual Budget	amber	amber	amber	green	red	red	amber	amber	green	amber								
Projected Outturn	330	753	6,616	1,130	2,546	5,809	3,630	3,052	2,837	26,703								
Variance	330	741	6,484	1,130	2,414	5,854	3,609	3,031	2,915	26,508								
	-	(12)	(132)	-	(132)	44	(21)	(21)	78	(195)								

Forecast Outturn Variances

(note: Spend figures in brackets refer to underspends, Income figures in brackets refer to additional income)

Service Area	Variance			Change	Comment
	Spend £'000	Income £'000	Net £'000		
EMT				▼	
Exec. Mgt Team	(12)		(12)	▼	Savings identified at SMT session including reductions in marketing and customer excellence budgets.
Corporate Management					
HoS / Policy and Projects	(18)	0	(18)	▼	A forecast outturn saving of £10k has been identified within the Head of Service cost centre relating to other general services. A further £15k has already been offered up as salary savings towards the corporate salary savings target.
Legal & Land Charges	10	19	29	▲	Income from Legal Services is forecast to be £39k below budget offset by Land Charges income expected to be £20k above budget. However, there are some increased variable costs to achieve the additional Land Charges income.
Human Resources	(6)		(6)	▼	Savings in respect of reduced costs of training.
Democratic Services	(10)	(50)	(60)	▼	Forecast underspend includes a saving on Members training. The increased income relates to additional recovery of costs in respect of elections.
Facilities	(97)	38	(59)	▲	The forecast underspend now reflects the expected savings from not occupying Angel Court from January to March 2010. Facilities income has been flagged as a risk and the outturn has been adjusted to reflect an under recovery of income of £25k.

Service Area	Variance			Change	Comment
WWW Programme	(2)	0	(2)	▼	Small forecast saving
Information & Communication	(16)	0	(16)	▼	Net saving of £16k has been identified within the new applications budget.
Environmental and Protective Services					
Planning	(6)	(245)	(251)	▼	Large increase in forecast planning income. Current position is that budget for year has been achieved and further income has now been forecast. However, there are some costs being incurred that need to be offset from this increase.
Building Control	(7)	0	(7)	▼	General budget savings.
Env. Services (incl. Cemetery and Crematorium)	(121)	254	133	▲	Estimated income for both cemetery and crematorium is forecast to be below budget with the latter the most significant. There are a number of factors that have contributed to this including the opening of a new crematorium in Braintree. Savings totalling over £100k have been identified to offset the shortfall this year.
Protective Services	(6)		(6)	▼	General budget savings.
Museums	24	26	50	▶	Under-recovery of £26K predicted on Museum income. Over-spend of £24K on Agency / Security. Under the terms of the joint museum agreement any overspend up to £100k is deducted from next year's budget. So the impact overall between the two years is nil.
PSU	(51)		(51)	▼	Budget savings including £29k on training and £20k on supplies and services
Life Opportunities				▼	
Community partnerships	(21)		(21)	▼	Saving reported to SMT in respect of removed R & R fund.

Service Area	Variance			Change	Comment
Housing Needs and options (incl. B & B costs)	233	(161)	72	▼	Forecast reduced to £72k over budget at year which in part relates to B&B/Homelessness Initiative costs.
Sport & Leisure	(27)	115	88	▲	Reflects estimated loss of income from temporary closure of fitness pool, offset by reduction in some costs.
Parks and Recreation	(89)	(5)	(94)	▼	Forecast reflects agreed use of some savings in year.
Resource Management				▼	
Financial Management	(7)		(7)	▼	Non renewal of D-Cal system
Local Taxation	0	(4)	(4)	▼	Sponsorship of Council Tax leaflet
Benefits	(10)		(10)	▼	Not pursuing new software
Strategic Policy & Regeneration				▼	
Spatial Policy	(12)		(12)	▼	Tour services costs over budget but savings made in other project areas.
Enterprise	(4)		(4)	▼	Saving reported to SMT budget session
Cultural services	(5)		(5)	▼	“ “ “ “
Street Services				▲	
Waste Policy	(20)		(20)	▼	Includes savings on consultancy costs.
Community Operations	(15)	(10)	(25)	▲	Savings made in Community Alarms
Recycling	35		35	▲	Estimated £50K saving on fuel due to decrease in price since budget was set. £25K estimated overspend on Workshop salaries due to one-off payout to change Contract hours and reduce overtime in the long-term.
Street Care	(12)		(12)	▼	Estimated £10K saving on fuel due to decrease in price since budget was set.
Car Parking		100	100	▲	Estimated under-recovery of income in off street Car Parks and Penalty Charge Tickets (PCN) issued both on and off street of £100K.

Service Area	Variance		Change	Comment
Cross-Cutting				
Energy Savings	(94)	0	▲	As part of the annual procurement exercise for energy for the 12 months period from October 2009 savings have been achieved against the current year's budget. The saving shown here reflects the level of excess savings after achieving the Council's procurement target for the year. The forecast is based on new prices and estimated usage for the remainder of the year. The actual savings could be different depending on actual usage but the figure shown is considered reasonable at this stage.
Total	(366)	77		

Key ▲ = Increased 'overspend' or reduced 'underspend' i.e. negative change on forecast
▼ = Decreased overspend or increased underspend
▬ = no change

All compared to previous monitoring report for Period 6.

Key Risk Areas	
Service / Item	Current Position / Comment
Corporate Management	
Land charges – Income	Income is currently above budget by £12k and. Whilst it is difficult to assess the extent to which this trend will continue the forecast outturn assumes additional income of £20k in total.
Environmental & Protective Services	
Planning income	Currently £279k over-recovery of income. The revised outturn now assumes additional income of £245k for the full year.
Building Control income	Income exceeds the budget to date by £1k and at this stage the full year position is assumed to be 'on budget'.
Life Opportunities	
Bed and Breakfast	There is a net overspend of £3k on Bed & Breakfast costs as at period 9. The predicted forecast outturn position remains a net overspend of £65k.
Sport & Leisure income	Customer income is currently £75k under budget. This includes the impact of the closure of the Fitness Pool at a cost estimated to be in the region of circa. £100k income. This loss is partially offset by some cost savings for the same period. The full impact of the recession is still as yet unknown and close monitoring of the situation will continue.
Resource Management	
Income from commercial estates	There remains a possibility of reduced income this year due to the impact of vacant properties. At this stage, it is assumed that any shortfall can be managed within the group, however, there is a possibility of a net income shortfall depending on final account reconciliations.
Strategic Policy & Regeneration	
Visitor Information Centre(VIC) budget target	Steps have been taken to deliver the £30k target for 2009/10, and close monitoring continues on the effect of the economic recession on the various income streams.
Street Services	
Car Parking Income	Offers introduced have increased usage and income in certain car parks. Further offers and measures continue to be used however a shortfall is currently forecast and remains a risk to the overall budget forecast.
Penalty Charge Notices (PCN) Income	The number of PCN issued has increased over the last few months as the service has full staffing levels. This has enabled all rounds and patrols to be covered. However, it is unlikely that all the deficit from the earlier months will be recouped.
Cross Cutting Issues	
Energy costs	The 09/10 budget includes assumptions for increases to energy costs during the second half of the year. Based on indicative prices procured a reduction in electricity and gas prices of in the region of 35%. This has helped to contribute

Service / Item	Current Position / Comment
Achievement of corporate targets	<p>towards achieving the procurement target for the year as well as contributing savings across all services.</p> <p>The report sets out that progress has been made towards achieving all corporate savings targets with the procurement target now being achieved in full. The salary saving target of £515k now appears unlikely to be fully achieved due to the reduced level of staff turnover resulting in fewer savings through vacancies. This report assumes an overall shortfall of £200k.</p> <p>The income target, which includes roundabout sponsorship, is being impacted by the ongoing economic climate. A contribution of £10k has though been made in respect of income from consultancy work provided within Environmental and Protective Services, however a £60l shortfall has been included in the budget forecast..</p> <p>All targets are monitored monthly by Senior Management Team.</p>
Net interest earnings	<p>The current position assumes a net shortfall this year of £700k. This includes the impact to date from the historic low interest rate levels. Actions to mitigate the impact were assumed as part of the 09/10 budget such as deferring new borrowing in favour of reducing investments. However, the final outturn position remains a risk which continues to be monitored.</p>

Housing Revenue Account – Period 9

December 2009		Current Period - December 2009			Forecast Year-End Position		
		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
Account Description							
HRA - Direct & Non-Direct							
EXPENDITURE							
	581	452	(129)	Red	624	(150)	Red
Employees							
Premises Related	4,095	3,913	(182)	Amber	5,952	(377)	Red
Transport Related	3	4	1	Amber	4	-	Green
Supplies & Services	408	306	(102)	Red	763	-	Green
Third Party Payments	5,205	5,173	(32)	Green	5,875	-	Green
Transfer Payments	50	39	(11)	Amber	67	-	Green
Support Services	2,196	2,154	(42)	Green	2,694	(40)	Green
Capital Financing Costs	2,972	2,972	-	Green	11,558	-	Green
TOTAL EXPENDITURE	15,510	15,013	(497)	Amber	27,497	(567)	Amber
INCOME							
Government Grant	-	(16)	(16)	Amber	-	-	Green
Other Grants & Reimbursements	(99)	(103)	(4)	Green	(152)	-	Green
Customer & Client Receipts	(18,404)	(18,362)	42	Green	(24,060)	97	Amber
Income-Interest	(17)	(14)	3	Amber	(19)	-	Green
Inter Account Transfers	-	-	-	Green	(3,879)	-	Green
TOTAL INCOME	(18,520)	(18,495)	25	Green	(28,207)	97	Amber
TOTAL NET - HRA	(3,010)	(3,482)	(472)	Red	(613)	(470)	Red



Finance and Audit Scrutiny Panel

Item
12

23 February 2010

Report of	Head of Resource Management	Author	Graham Coleman ☎ 282741
Title	Capital Expenditure Monitor 2009/10		
Wards affected	Not applicable		

The Panel is invited to review the progress against all capital schemes for the first nine months of 2009/10

1. Action Required

- 1.1 To note the level of capital spending during the period April to December 2009 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 2009/10 (April 2009 to December 2009) and revised forecasts for future years.
- 3.2 The report includes new capital funding and changes to the capital programme as revised by Cabinet on 18 March 2009, 13 July 2009, 9 September 2009, 2 December 2009 and 27 January 2010, and by Council on 14 October 2009.
- 3.3 The report includes capital expenditure in respect of the Housing Investment Programme, including expenditure on the Council's housing stock.

4. 2009/10 position to 31 December 2009

- 4.1 In the first 9 months of this year capital spending totalled £7.0 million. This represents 21.6% of the total programme, and 45.4% of the projected spend for 2009-10. Whilst the percentage spend to date appears low, this is due to expenditure on a number of larger schemes that were scheduled to commence later in the year, such as recommenced works on the Visual Arts Facility and the Decent Homes project. New funding has been added to the capital programme as agreed by Cabinet on 2 December 2009 and 27 January 2010, together with some smaller contributions from external parties and Section 106 monies. Funding required for the digital TV programme in the HRA has been reduced following the completion of the tendering exercise. Under/overspends previously reported to this panel have also been adjusted following their approval by Cabinet. It should be noted that the programme includes a number of major schemes where

spending is planned across more than one year and that spending to date is broadly in line with expectations.

- 4.2 In total, forecast spending for this year is £15.4 million, with the remainder of the programme currently planned for 2010/11. The table below sets this out by service area:

Summary	Current Total Programme	2009/10 Expenditure for year	Expected Expenditure 2009/10	Expected Expenditure 2010/11
	£'000	£'000	£'000	£'000
Corporate Management	2,168.9	729.6	1,567.4	601.5
EMT	236.7	52.5	236.7	0.0
Resource Management	609.0	263.7	469.5	139.5
Street Services	363.5	215.2	363.5	0.0
Environmental & Protective Services	1,027.4	109.8	287.4	740.0
Strategic Policy & Regeneration	15,799.3	2,473.9	6,359.6	9,439.7
Life Opportunities	4,511.9	1,427.5	2,433.0	2,204.4
Completed Schemes	242.7	235.8	242.1	0.0
Total – General Fund Services	24,959.4	5,508.0	11,959.2	13,125.1
Housing Revenue Account	7,365.5	1,482.2	3,433.0	3,932.5
Total Capital Programme	32,324.9	6,990.2	15,392.2	17,057.6

- 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 18 February 2009, and revised on 18 March, 13 July, 9 September 2009, 2 December 2009 and 27 January 2010, and by Council on 14 October 2009.

- 4.4 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. The results of the capital programme review have now been agreed by Cabinet, and were reported to this panel as part of the budget strategy report presented on 26 January 2010. They have now been incorporated into Appendix A, and so some schemes have now been removed from the capital programme and new funding has been added.

- 4.5 The scheme for Colchester Leisure World Fitness Pool LACM and Modernisation is currently forecast to be overspent by a maximum of £125.5k. It is hoped that the final figure will prove to be less than this. Additionally, there are a couple of minor under/overspends on completed schemes.

Scheme	Over/ (Under)
	£'000
Colchester Leisure World – Fitness Pool LACM & Modernisation	125.5
Other minor (under)/overspends	(0.6)
Total Net Overspend	124.9

- 4.6 This sum will be referred to Cabinet for consideration when the final position is known. Cabinet will also consider a revised forecast of capital receipts as well as the outcome of the current review of schemes within the Capital Programme.

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

Capital Programme 2009/10

Service / Scheme	New monies					Funded			Additional Funding Requirements £'000	
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Dec 2009/10 £'000	09/10 £'000		10/11 £'000
SUMMARY										
Corporate Management	1,877.9	291.0	0.0	2,168.9		2,168.9	729.6	1,567.4	601.5	
EMT	236.7	0.0	0.0	236.7		236.7	52.5	236.7	0.0	
Resource Management	534.0	55.0	20.0	609.0		609.0	263.7	469.5	139.5	
Street Services	396.0	(112.5)	80.0	459.5		459.5	215.2	363.5	0.0	
Environmental & Protective Serv.	286.6	475.0	265.8	1,327.4		1,327.4	109.8	287.4	740.0	
Strategic Policy & Regeneration	14,793.1	215.4	790.8	16,344.3		16,344.3	2,473.9	6,359.6	9,439.7	
Life Opportunities	2,790.0	195.3	1,526.6	4,566.9		4,566.9	1,427.5	2,433.0	2,204.4	
Completed Schemes	696.1	(414.3)	(39.1)	242.7		242.7	235.8	242.1	0.0	
Total (General Fund)	21,610.4	704.9	2,644.1	25,955.4		25,955.4	5,508.0	11,959.2	13,125.1	
Housing Revenue Account	7,915.5	(550.0)	0.0	7,365.5		7,365.5	1,482.2	3,433.0	3,932.5	
Total Capital Programme	29,525.9	154.9	2,644.1	33,320.9		33,320.9	6,990.2	15,392.2	17,057.6	

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 17 November 2009

Add:

S106 release - Hythe Community Centre	10.6
Adjustment to external funding - St Anne's MUGA	0.5
Adjustment to external funding - Community Stadium	(24.2)
BOADA Skatebowl - further external funding	5.0
S106 release - Castle Park Playground	8.7
Cabinet release 2 December 2009 - Cemetery extension	125.0
Cabinet release 2 December 2009 - Improving Life Chances - Ghost Wood	10.0
Cabinet release 2 December 2009 - Mandatory Disabled Facilities Grants	500.0
Cabinet release 2 December 2009 - Private Sector Housing Renewals	95.0
Lottery Funding - Castle Museum Redevelopment	265.0
Leisure World Fitness Pool LACM - external funding	286.0
External funding - DCSF grant to adiZone	75.0
Under/overspends from FASP report 17 Nov. 2009 (excluding Town Hall - funded by transfer from DDA scheme)	(222.0)
Funded schemes removed from capital programme by Cabinet on 27 January 2010	(506.4)
Schemes added to capital programme by Cabinet on 27 January 2010	1,210.0
Reduction to cost of HRA digital TV following tendering exercise	(550.0)
£'000	31,149.0

Capital Programme 2009/10

Service / Scheme	New monies				Funded			Additional Funding Required £'000
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Total Funded Prog. £'000	Spend Apr-Dec 2009/10 £'000	09/10 £'000	
CORPORATE MANAGEMENT								
Town Hall	86.8	20.0	0.0	106.8	106.8	28.2	105.3	1.5
<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. Phase 2 works which will deliver DDA compliant access through St Runwald Street graveyard have been delayed by the recent inclement weather 2010. Works are expected to cost £20k more than the budget previously allocated within capital programme but this shortfall has been transferred from the balance remaining								
E-Government	43.8	0.0	0.0	43.8	43.8	30.0	43.8	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. We are continuing to chase supplier where appropriate for invoices for the remaining balance.								
GIS/Gazetteer	11.3	0.0	0.0	11.3	11.3	6.3	11.3	0.0
<i>Description of Scheme:</i>								
Cleansing of LLPG database								
<i>Comments:</i>								
Project was delayed, but now progressing. Remaining spend expected in 2009-10.								
Electronic Service Delivery	190.0	0.0	0.0	190.0	190.0	65.4	190.0	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>								
Underspent slightly against its profile last year as a result of the virtualisation project coming in slightly under-budget, and other suppliers not invoicing within the financial year								
Government Connect issues in Q4 2009/10 and Q1 2010/11. Changes required to CRM solutions and integrations as part of the Customer excellence programme have been expected to spend in 2010/11								
Customer Service Centre Redesign	0.0	100.0	0.0	100.0	100.0	0.0	0.0	100.0
<i>Description of Scheme:</i>								
Work require following the completion of the flexible working project and sale of Angel Court								
<i>Comments:</i>								
New scheme added by Cabinet on 27 January 2010.								
ICT Strategy Development	1,546.0	171.0	0.0	1,717.0	1,717.0	599.7	1,217.0	500.0
<i>Description of Scheme:</i>								
New capital investment								
<i>Comments:</i>								

Capital Programme 2009/10

Service / Scheme	New monies				Funded			Additional Funding Required £'000		
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Dec 2009/10 £'000		09/10 £'000	10/11 £'000
EMT										
Support for Parish Councils and Community Groups	236.7	0.0	0.0	236.7	PF	236.7	52.5	236.7	0.0	
<i>Description of Scheme:</i>										
Grants scheme to provide funding to Parishes in delivering projects in their areas										
<i>Comments:</i>										
All funds are fully committed to previous year projects. However, spending depends on organisations completing schemes then claiming funds, so most expenditure will in financial year 2009/10 unfrozen and released for spend at July Cabinet. The meeting to decide allocations for 2009-10 will take place in February/March 2010, and this will in community groups as well as parishes. £50k removed from unfunded programme by Cabinet on 27 January 2010.										
TOTAL - EMT	236.7	0.0	0.0	236.7		236.7	52.5	236.7	0.0	

Capital Programme 2009/10

Service / Scheme	New monies					Funded			Additional Funding Required £'000	
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Dec 2009/10 £'000	09/10 £'000		10/11 £'000
RESOURCE MANAGEMENT										
Financial Systems Migration	3.1	0.0	0.0	3.1	FF	3.1	0.0	0.0	3.1	
<i>Description of Scheme:</i> Upgrade of Financial Systems <i>Comments:</i> Final phase is to integrate CLW & CBH Debtors. This will be delayed until the eProcurement upgrade is completed.										
DDA Measures	427.9	55.0	20.0	502.9	FF	502.9	224.9	407.9	95.0	
<i>Description of Scheme:</i> Works to civic buildings to comply with requirements of the Disability Discrimination Act (incl. Town Hall lift and sensory access) <i>Comments:</i> The Town Hall lift project is now complete and the final account has been agreed. Project completed well within existing budget and it is expected that there will be a balance installation which has been undertaken in conjunction with the main project have been paid. Final retention release of approximately £20k due in April 2010. DDA works to a £20k has been transferred from this budget to the Town Hall project to meet the shortfall on that scheme. £75k added by Cabinet of Town Hall DDA Sensory Access project reports.										
Site Disposal Costs	61.6	0.0	0.0	61.6	FF	61.6	38.8	61.6	0.0	
<i>Description of Scheme:</i> Costs of securing capital receipts <i>Comments:</i> Cabinet on 10th June 2009 approved the sale of Angel Court for an office and retail scheme - further agents fees due to be paid shortly. On-going security costs for the Layer extra-care village scheme.										
Moler Works Site	41.4	0.0	0.0	41.4	FF	41.4	0.0	0.0	41.4	
<i>Description of Scheme:</i> Costs associated with provision of three commercial shop units. <i>Comments:</i> Development of this site is delayed pending a redesign and planning approval. Revised scheme will include 3 shop units for transfer to CBC. Fitting out expenditure expected										
TOTAL - RESOURCE MANAGEMENT	534.0	55.0	20.0	609.0		609.0	263.7	469.5	139.5	

Capital Programme 2009/10

Service / Scheme	New monies				Funded			Additional Funding Required £'000
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Total Funded Prog. £'000	Spend Apr-Dec 2009/10 £'000	09/10 £'000	
STREET SERVICES								
Public Conveniences	210.8	(110.3)	0.0	100.5	100.5	89.4	100.5	0.0
<i>Description of Scheme:</i>	Toilet refurbishment works.							
<i>Comments:</i>	Refurbishment complete at Lion Walk, including the creative convenience design, and final valuation certificates was due in December but not yet received. Dedham toilets H until 2010/11. The rest of the public conveniences programme has now been reviewed by the Portfolio Holder in line with the cabinets wishes and no further refurbishments a Cabinet on 27 January 2010.							
PowerPerfector Voltage Optimisation Equipment	132.9	0.0	0.0	132.9	132.9	58.3	132.9	0.0
<i>Description of Scheme:</i>	Installation of equipment at top ten electricity usage sites							
<i>Comments:</i>	Equipment installed at Crematorium, St Marys and St John's MSCP, Colchester Castle, Museum Resource Centre and Mile End Sports Pavilion. Equipment delivery and ins should be complete by March 2010.							
Flat Recycling Extension	0.0	(2.2)	80.0	77.8	77.8	67.5	77.8	0.0
<i>Description of Scheme:</i>	New phase delivering recycling facilities for residents living in flats							
<i>Comments:</i>	This is being used to support the expansion of recycling services to residents living in flats in financial year 09/10. The spend so far has been on recycling sacks, bins, frame will also benefit from the scheme and stocks of equipment will be in place to reflect this . The remaining funding of £26.5k under the Waste Diversion/Green Waste scheme left to commit on this work.							
Upgrade of CCTV Equipment	52.3	0.0	0.0	148.3	52.3	0.0	52.3	0.0
<i>Description of Scheme:</i>	Upgrade of equipment to digital format							
<i>Comments:</i>	1st phase of CCTV upgrade completed March 07. The new matrix is now installed and the installation of up to date screens for the operators is currently underway. Final inv							
TOTAL- STREET SERVICES	396.0	(112.5)	80.0	459.5	363.5	215.2	363.5	0.0

Capital Programme 2009/10

Service / Scheme	New monies				Funded			Additional Funding Required £'000
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Total Funded Prog. £'000	Spend Apr-Dec 2009/10 £'000	09/10 £'000	
	Status					10/11 £'000		
ENVIRONMENTAL & PROTECTIVE SERVICES								
Heritage Fund - incl. Roman Walls	138.6	0.0	0.8	339.4	139.4	103.1	139.4	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 on the Roman Road stretch is largely completed with only one small area still outstanding. Attention has now moved to two small areas of emergency repairs at Priory stretch has concluded that a further £323,000 of repair work is required.								
Heritage Fund - Castle Park Interpretation	50.0	0.0	0.0	50.0	50.0	6.7	50.0	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 has commenced on the Castle Park Interpretation Project including the replacement of the interpretation sign outside the Castle and this project is due to be completed								
Heritage Fund - St Nicholas Square	20.0	0.0	0.0	20.0	20.0	0.0	20.0	0.0
<i>Description of Scheme:</i> Heritage Fund used to enhance public spaces and historic sites, and protect key buildings								
<i>Comments:</i> Scheme not to be progressed and proposal on reallocating funding to the Town Walls scheme already identified under the Heritage Fund, is shortly to be discussed with Por								
Cemetery Extension	0.0	125.0	0.0	125.0	125.0	0.0	0.0	125.0
<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 Authority are ongoing. 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 for this scheme includes survey, mapping, levelling, landscaping and fencing along with any access roads that may need to be built.								
Replacement of Cremators	0.0	350.0	0.0	350.0	350.0	0.0	0.0	350.0
<i>Description of Scheme:</i> Replacement of Cremators at Colchester Crematorium to comply with environmental legislation								
<i>Comments:</i> The decision was made at Council on 14 October 2009 to proceed with replacing the two cremators at the Crematorium. Pending a final decision on the optimum funding arrangement the cost of purchasing one cremator with the other cremator being leased. This needs to be reviewed in respect of revised installation date of October 2010.								
Roman Circus	78.0	0.0	0.0	78.0	78.0	0.0	78.0	0.0
<i>Description of Scheme:</i>								

Capital Programme 2009/10

Service / Scheme	New monies					Funded			Additional Funding Required £'000	
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Dec 2009/10 £'000	09/10 £'000		10/11 £'000
STRATEGIC POLICY & REGENERATION										
Park & Ride	124.4	0.0	0.0	124.4	FF	124.4	0.0	0.0	124.4	
<i>Description of Scheme:</i> Costs of achieving a Colchester Park & Ride.										
<i>Comments:</i> Funding of £10.2m has been granted through CIF2 for the delivery of a new junction onto the A12 which would mean completion of these infrastructure works by 2011 and will 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 Colchester Rapid Transit link is underway, funded through Haven Gateway Partnership to establish whether an East Colchester Park and Ride is deliverable in infrastructure further work to possible east Colchester sites.										
Community Stadium Pre-development	71.3	0.0	0.0	71.3	FF	71.3	6.1	71.3	0.0	
<i>Description of Scheme:</i> Preliminary work on construction details, costs and business planning to progress the project.										
<i>Comments:</i> A final reconciliation of invoices has yet to take place, but current underspend has already been committed.										
Community Stadium - Build	80.3	0.0	(24.2)	56.1	FF	56.1	0.0	56.1	0.0	(0.0)
<i>Description of Scheme:</i> Construction of new Community Stadium										
<i>Comments:</i> Now 1 year post Practical Completion but 1.5% construction cost retention still being held until final snagging items cleared and discharge of final planning conditions such as already committed for 09/10.										
Cuckoo Farm	(9.1)	9.1	0.0	(0.0)	FF	(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> All funding now committed and small overspend which possibly can be reduced through other related projects. There is still a need to review Severalls Landowners Agreement the enabling land, but no funding currently exists for this.										
B I C North	2,360.2	0.0	0.0	2,360.2	FF	2,360.2	98.0	960.0	1,400.2	
<i>Description of Scheme:</i> Business Incubator Units in North Colchester										
<i>Comments:</i> Planning consent now received and construction has commenced on site. Cabinet confirmed sale of adjacent land to Plot 350 and highest offer received and accepted was £										
Hythe Station Environmental Improvements	606.4	31.3	100.0	737.7	FF	737.7	495.0	737.7	0.0	

Capital Programme 2009/10

Service / Scheme	New monies				Funded			Additional Funding Required £'000
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Total Funded Prog. £'000	Spend Apr-Dec 2009/10 £'000	10/11 £'000	
	946.0	0.0	0.0	1,491.0	946.0	79.5	100.0	
St Botolphs Regeneration								
<i>Description of Scheme:</i>								
Fund to progress elements within the St Botolphs regeneration area.								
<i>Comments:</i>								
Funding allocated to specific projects as follows: £170k Temporary Bus Station, £125k Vineyard Gate, £96k Cultural Qtr, £75k MSCP, £100k public realm. Work continues by Cabinet in September 2009 and work ongoing to complete the development agreement; and public realm improvements. Developers for Vineyard Gate remain in place but conditions and as a result spend is delayed.								
St Botolphs Public Realm Phase 1	387.2	0.0	0.0	387.2	387.2	103.5	107.0	280.2
<i>Description of Scheme:</i>								
Public Realm Improvements								
<i>Comments:</i>								
Priory works consultation carried out and scheme amended accordingly. Works for Priory now awaiting planning consent. Discussions ongoing with the school in respect of VAF and although consultants appointed works cannot commence until July 2010 at the earliest so spend is delayed. Haven Gateway Partnership are aware of this delay.								
St Botolphs Public Realm Phase 2	0.0	175.0	180.0	355.0	355.0	5.6	180.0	175.0
<i>Description of Scheme:</i>								
Public Realm Improvements								
<i>Comments:</i>								
It is proposed to use Phase 2 monies to also contribute towards public realm improvements surrounding the VAF and through Phase 1 of the Cultural Quarter. This money is for 09/10 with a further £220k provisionally allocated for 10/11. This funding amount has now been confirmed and as with Phase 1 above spend is delayed due to VAF completion 2010.								
Historic Town Centre Improvements	160.0	0.0	0.0	160.0	160.0	0.0	160.0	0.0
<i>Description of Scheme:</i>								
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. Most of the current work is being funded through HGP monies project which includes transport improvements and the Public Realm Strategy work. Work is ongoing in respect of the wider Town Centre objectives and short, medium and the delivery of these. Funded from Growth Point monies (scheme below). CBC spend no longer on hold.								
Town Centre Improvements Phase 1	50.8	0.0	0.0	50.8	50.8	36.0	50.8	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 the future evolution of the bus station. Options being developed for engagement event later in the Spring								
Town Centre Improvements Phase 2	0.0	0.0	150.0	150.0	150.0	5.7	150.0	0.0
<i>Description of Scheme:</i>								

Capital Programme 2009/10

Service / Scheme	New monies					Funded			Additional Funding Required £'000
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Dec 2009/10 £'000	10/11 £'000	
	0.0	0.0	65.0	65.0	PF	65.0	10.4	65.0	
Creative Business Hub									
<i>Description of Scheme:</i>									
Contribution to Creative Business Centre									
<i>Comments:</i>									
This Haven Gateway Growth Area funding is a contribution to the creative Business Centre to be formed in Roman House which will be refurbished by Garbe under the term hotel operator have led to delays in respect of the adjacent creative hub building and most spend is now likely to occur in 2010/11. There has also been a reduction in the ar £125k to £65k for 2009/10.									
Visual Arts Facility (VAF) Main Scheme	2,429.5	0.0	0.0	2,429.5	FF	2,429.5	994.2	2,429.5	0.0
<i>Description of Scheme:</i>									
New Visual Arts Facility									
<i>Comments:</i>									
Following the removal of the main contractors, new project managers have been appointed. These are currently assessing the potential procurement process for the remain professional design team. The work includes an analysis of project risks and future programme for delivery. Trade contractors are being re-appointed and work started again									
Visual Arts Facility (VAF) Fit-out	6,750.0	0.0	0.0	6,750.0	PF	6,750.0	0.0	333.0	6,417.0
<i>Description of Scheme:</i>									
<i>Comments:</i>									
Funding in capital programme for fit-out works (£2m from CBC, and £4.75m from funding partners). Some of this funding may need to be brought forward for pre-fit-out and p exercise under overall Construction Management.									
Assistance to Registered Social Landlords	688.9	0.0	0.0	688.9	PF	688.9	492.0	492.0	196.9
<i>Description of Scheme:</i>									
Support to affordable housing schemes									
<i>Comments:</i>									
The funding of £407k to Colne housing to secure 83 new affordable homes for Colchester (PH Report of 20 March 2009 refers) has now been released. Funding of £85k to e released. The remaining budget is available to fund projects in 2010/11.									
TOTAL - STRAT POLICY & REGEN	14,793.1	215.4	790.8	16,344.3		15,799.3	2,473.9	6,359.6	9,439.7

Capital Programme 2009/10

Service / Scheme	New monies				Funded			Additional Funding Required £'000	
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Dec 2009/10 £'000		09/10 £'000
LIFE OPPORTUNITIES									
Community Development - St Annes	29.3	0.0	0.0	29.3	FF	29.3	0.0	29.3	0.0
<i>Description of Scheme:</i>									
Contribution towards community centre in Harwich 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. Final invoice has been paid, final account within the capital programme.									
Improving Life Opportunities	55.4	(15.0)	0.0	95.4	PF	40.4	14.0	40.4	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>									
Total commitment for loop systems of £5K has now been spent. Of the £21k allocated for works to improve pathways in Monkwick, £9,082.90 has been spent and there is £11,917.10 remaining.									
Hythe Community Centre	0.2	0.0	10.6	10.8	FF	10.8	10.6	10.8	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 funds = £1,813.81.									
Mandatory Disabled Facilities Grants	1,111.6	350.0	348.6	1,810.2	PF	1,810.2	412.4	810.2	1,000.0
<i>Description of Scheme:</i>									
Disabled Facility Grants									
<i>Comments:</i>									
The DFG allocation for 2009/10 is already approximately 80% committed. Due to staffing issues at Essex County Council Social Services, OT recommendations have recently been made for 2009/10. The remaining DFG for 2009/10 is £1,000.00.									
Private Sector Renewals - Loans and Grants	389.4	0.0	680.0	1,069.4	PF	1,069.4	103.9	219.4	850.0
<i>Description of Scheme:</i>									
Loans and grants to private householders									
<i>Comments:</i>									
A revised capital programme allocation has been requested for this work to support the statutory work on empty homes, decent homes in the private sector, Housing Act 2004 and Housing Act 2008. The revised allocation for 2009/10 is £1,069.40. There is insufficient money in the budget for 2009/10 to process any applications received after January 2009. Currently, only applications already in the pipeline are four applications that can not be approved until next financial year (2010/11).									
Highwoods Community Facilities	19.0	0.0	0.0	19.0	FF	19.0	0.0	19.0	0.0

Capital Programme 2009/10

Service / Scheme	New monies					Funded			Additional Funding Required £'000	
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Dec 2009/10 £'000	09/10 £'000		10/11 £'000
Old Heath MUGA Installation & Landscape Improvements	75.0	0.0	0.0	75.0	FF	75.0	0.0	0.0	75.0	
<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. Programme meetings. Resident Group approval has been obtained to the scheme and design is being finalised. Work to commence in late spring and completion by summer holidays 2010.										
Castle Park - Playground Refurbishment	110.0	0.0	8.7	118.7	FF	118.7	0.0	118.7	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 construction works proposed 2010 subject to English Heritage Consent. Additional £48k has been secured from DCFS Play builder programme for play provision for 8 - 13s. funding from the Ward and Borough funds to fund the infrastructure changes required for the new play area location.										
Messing Village Hall Refurbishment S106	28.2	0.0	0.0	28.2	FF	28.2	0.0	28.2	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.										
St Leonard's Church Wall	334.7	(239.7)	0.0	95.0	FF	95.0	51.4	95.0	0.0	
<i>Description of Scheme:</i>										
Repair & rebuild boundary walls to a closed churchyard										
<i>Comments:</i>										
Phase 1 completed Phase 2 will begin in Spring 2010. £239.7k funding not now required has been returned for reallocation in the capital programme.										
Repairs to walls of closed churchyards	0.0	75.0	0.0	75.0	FF	75.0	0.0	0.0	75.0	
<i>Description of Scheme:</i>										
Health & safety works to walls of closed churchyards.										
<i>Comments:</i>										
New scheme added by Cabinet on 27 January 2010.										
Resource Centre - Highwoods Country Park	181.0	0.0	0.0	181.0	PF	181.0	23.0	23.0	158.0	
<i>Description of Scheme:</i>										

Capital Programme 2009/10

Service / Scheme	New monies				Funded			Additional Funding Required £'000
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Total Funded Prog. £'000	Spend Apr-Dec 2009/10 £'000	10/11 £'000	
adiZone	0.0	25.0	125.0	150.0	150.0	75.0	150.0	0.0
<i>Description of Scheme:</i>								
Provision of an outdoor games area with Olympic branding								
<i>Comments:</i>								
Total cost is £150,000 all of which has been identified (50/50 split between CBC and DCSF). £47,800 of CBC funding has already been received and the remainder secured £1,000 from CDRP. The remaining £75,000 is a grant from DCSF which has to be made to Essex County Council first, then transferred to CBC. Work was due to begin on								
TOTAL - LIFE OPPORTUNITIES	2,790.0	195.3	1,526.6	4,566.9	4,511.9	1,427.5	2,433.0	2,204.4

Capital Programme 2009/10

Service / Scheme	New monies					Funded			Additional Funding Required £'000	
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Dec 2009/10 £'000	09/10 £'000		10/11 £'000
COMPLETED SCHEMES (OR WHERE RETENTION ONLY OUTSTANDING)										
Angel Court Atrium Roof	(3.0)		7.8	0.0	4.8	FF	4.8	4.8	0.0	
<i>Description of Scheme:</i>										
Replacement of Atrium Roof										
<i>Comments:</i>										
Works complete - small overspend - all payments now made.										
Rowan House	(0.7)		0.7	0.0	0.0	FF	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.										
Waste Diversion / Green Waste	26.5	(26.5)		0.0	0.0	FF	0.0	0.0	0.0	
<i>Description of Scheme:</i>										
General provision for recycling initiatives including green waste trials etc										
<i>Comments:</i>										
The remaining amount has been used to support the expansion of recycling services to residents living in flats in financial year 09/10. This has been added to the £80,000 for a separate Capital scheme (above).										
Car Park Ticket Machines	1.4	(1.4)		0.0	(0.0)	FF	(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>										
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 Leisure world non-capital items repaid. All complete. Retention amount now not required.										
SOS Bus	3.5	0.0	0.0	0.0	3.5	FF	3.5	3.5	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 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 budget will be spent. All remaining funding has been invoiced to CBC by Open Road as the project is completed and no longer the responsibility of CBC.										
Museum Store	(0.2)	0.2		0.0	(0.0)	FF	(0.0)	0.0	0.0	
<i>Description of Scheme:</i>										
Purchase, fit-out and relocation to new store.										
<i>Comments:</i>										

Capital Programme 2009/10

Service / Scheme	New monies					Funded			Additional Funding Required £'000	
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Dec 2009/10 £'000	09/10 £'000		10/11 £'000
Groundsmen's Building Castle Park	4.2	0.0	6.3	10.5	FF	10.5	10.2	10.5	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.										
Mill Road	4.4	0.0	(4.4)	0.0	FF	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i>										
Provision of Play Area and Youth Facilities										
<i>Comments:</i>										
Work completed and Big Lottery Fund claim has been received.										
Westlands Country Park Playground	70.0	0.0	(5.4)	64.6	FF	64.6	64.6	64.6	0.0	
<i>Description of Scheme:</i>										
<i>Comments:</i>										
Work completed and external funding claims in progress.										
West Mersea	2.0	0.0	0.0	2.0	FF	2.0	0.2	2.0	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>										
Works completed.										
Shrub End Sports Ground	(1.3)	1.3	0.0	0.0	FF	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.										
Computer Upgrade	0.8	0.0	0.0	0.8	U	0.8	0.0	0.0	0.0	
<i>Description of Scheme:</i>										
Personal Computer Upgrade (including Councillors Computers) To keep personal computer stock updated										
<i>Comments:</i>										
Scheme removed from capital programme by Cabinet on 27 January 2010.										
Backlog Repairs	0.0	0.0	0.0	0.0	U	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i>										
Required maintenance to civic buildings										
<i>Comments:</i>										
Scheme removed from capital programme by Cabinet on 27 January 2010.										
Shrub End Waste Transfer Plant	89.7	0.0	(41.1)	48.6	FF	48.6	48.6	48.6	0.0	

Capital Programme 2009/10

Service / Scheme	New monies				Funded			Additional Funding Required £'000		
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Dec 2009/10 £'000		09/10 £'000	10/11 £'000
Maritime Projects	0.0	0.0	0.0	0.0	U	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i>										
Provision for maritime project works.										
<i>Comments:</i>										
Scheme removed from capital programme by Cabinet on 27 January 2010.										
Town Centre Signs (Phase 2)	90.0	(90.0)	0.0	0.0	U	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i>										
Extension of Town Centre signage scheme.										
<i>Comments:</i>										
Scheme removed from capital programme by Cabinet on 27 January 2010.										
St Annes MUGA	2.2	0.0	0.5	2.7	FF	2.7	0.0	2.7	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 outstanding. All of UEFA Funding received, £52,754 received from Football Foundation to date. Remaining will be requested following tree planting.										
Opportunity Purchases	53.0	(53.0)	0.0	0.0	FF	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) removed from the capital programme by Cabinet on 27 January 2010.										
Boada Skatebowl	97.4	0.0	5.0	102.4	FF	102.4	102.4	102.4	0.0	
<i>Description of Scheme:</i>										
Provision of new activity area targeted at young people										
<i>Comments:</i>										
The skate park has been constructed and now open.										
TOTAL - COMPLETED SCHEMES	696.1	(414.3)	(39.1)	242.7		242.7	235.8	242.1	0.0	

Capital Programme 2009/10

Service / Scheme	New monies				Funded			Additional Funding Required £'000	
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Dec 2009/10 £'000		09/10 £'000
HOUSING REVENUE ACCOUNT									
Decent Homes & Upgrades	6,797.5	(550.0)	0.0	6,247.5	FF	6,247.5	1,039.2	2,500.0	3,747.5
<i>Description of Scheme:</i> Scheme to bring council housing stock up to Decent Homes standard together with other upgrade works									
<i>Comments:</i> The Decent Homes programme has recommenced with three pilot schemes being undertaken in February. The full programme will recommence in March/April 2010. As agreed programme will be completed by December 2012. Following a tendering exercise the cost of digital TV has been reduced by £550k reducing the Council's borrowing requirements									
Adaptations	826.1	0.0	0.0	826.1	FF	826.1	398.5	791.1	35.0
<i>Description of Scheme:</i> Improvements made to Council housing stock to meet specific tenants needs									
<i>Comments:</i> The balance of the 2008/09 funding has been carried forward to cover the committed spend which will come through in 2009/10. The new 2009/10 funding of £710k has been added to the programme is proceeding well but there is expected to be a small carry forward into 2010/11.									
Housing ICT	291.9	0.0	0.0	291.9	FF	291.9	44.5	141.9	150.0
<i>Description of Scheme:</i> Improvements to Housing IT systems									
<i>Comments:</i> Expenditure to date has included procurement of new Anti Social Behaviour Module; continued investment in Microfiche Reader Printer Scanner for CBH, purchase of Knowledge Management System for Abritas the Choice based lettings tool. Looking forward a number of ICT related projects are under consideration. There is a potential scheme to implement a new Housing Management System for Abritas the Choice based lettings tool. No overspend is projected, though as some expenditure may fall into 2010-11 there is the likelihood of an under spend in 2010-11.									
TOTAL - HRA	7,915.5	(550.0)	0.0	7,365.5		7,365.5	1,482.2	3,433.0	3,932.5
Note: The schemes above are funded from HRA resources only and therefore do not form part of the General Fund Capital Programme									



Finance and Audit Scrutiny Panel

Item
13

23 February 2010

Report of	Scrutiny Officer	Author	Robert Judd Tel. 282274
Title	Work Programme 2009-10		
Wards affected	Not applicable		

This report sets out the rolling 2009/10 Work Programme for the Finance and Audit Scrutiny Panel

1. Action Required

1.1 The Panel is asked to consider and comment on the rolling 2009-10 work programme.

2. Reason for Action

2.1 This function forms part of the Panel's Terms of Reference in the Constitution.

3. Update to the work programme

3.1 Capital Improvement Programme (Decent Homes) – This item has been deferred from this meeting, until tangible progress can be reported to the panel, probably at the outset of the new municipal year.

4. Alternative Options

4.1 This forms part of the Panel's Terms of Reference in the Constitution, and there are no alternative options.

5. Standard References

5.1 There are no policy plan references or financial implications in this matter. There are no equality, diversity or human rights issues in this matter and therefore no Equality Impact Assessment has been completed. There is no health and safety, community safety or risk management implications in this matter.

5.2 The work of the Finance and Audit Scrutiny Panel is a key function to ensure probity in financial, audit and risk management.

Finance and Audit Scrutiny Panel

Incorporating Accounts and Regulatory Committee (A&R)

WORK PROGRAMME 2009-10 (last updated 7 February 2010)

To be scheduled

1. Haven Gateway Funding
2. Freedom of Information progress report (tbc)

30 June 2009

1. 2007-08 Annual Audit and Inspection Letter (A&R)
2. 2008-09 External Audit Report (A&R)
3. 2008-09 Internal Audit Report (A&R)
4. Annual review of the Governance Framework and Statement (A&R)
5. 2008-09 Annual Governance Statement (A&R)
6. Draft Annual Statement of Accounts (A&R)
1. 2008-09 Revenue Expenditure pre-audit outturn (FASP)
2. 2008-09 Capital pre audit outturn (FASP)

28 July 2009

1. Annual Report on Treasury Management
2. 2008-09 Risk Management Summary

18 August 2009

1. 2009-10 Financial Monitor, period April to June
2. 2009-10 Capital Monitor

22 September 2009

1. 2009-10 Internal Audit Monitor, period April to June
2. 2009-10 External Audit Monitor, period April to June (no business to report)
3. Annual Statement of Accounts (A&R)
4. Office of High Steward (A&R)
5. Review of Parking Services (Portfolio Holder and Head of Service to attend)

20 October 2009

1. Report Publication of Audited Statement of Accounts (A&R)
2. Risk Management period April to September
3. Annual Business Continuity Progress report

17 November 2009

1. Credit Union Funding (officers from ECC to attend)
2. 2009-10 Internal Audit Monitor, period April to September
3. 2009-10 Financial Monitor, period April to September
4. 2009-10 Capital Monitor
5. 2009-10 Treasury Management Monitor
6. Annual Governance Audit Report (A&R)

26 January 2010

1. Annual Audit Letter (District Auditor)
2. 2010-11 Budget Strategy
3. Treasury Management - Investment Strategy
4. Grounds Maintenance Contract (Hd of Life Opportunities)
5. One Place – Organisation Assessment (Executive Director)

23 February 2010

1. Risk Management, period April to December
2. 2009-10 Financial Monitor, period April to December
3. 2009-10 Capital Monitor

23 March 2010

1. 2009-10 Internal Audit Monitor, period April to December
2. Annual Governance Statement briefing paper
3. Supplementary opinion audit plan
4. Progress report on the Free Freighter Service

Capital Improvement Programme (Decent Homes) - The Head of Strategic Policy and Regeneration / Partnership and Performance Manager requested to provide the Cabinet report (21-Oct-09) with a progress update. This item has been deferred from the meeting of 23 February 2010, until tangible progress can be reported to the panel, probably at the outset of the new municipal year.

