

# Finance and Audit Scrutiny Panel

Grand Jury Room, Town Hall  
28 February 2012 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 reviews Portfolio Holder 'Service' decisions referred to the Panel 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](http://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 refer to Attending Meetings and "Have Your Say" at [www.colchester.gov.uk](http://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 or switched to silent before the meeting begins and note that photography or audio recording is not permitted.

## Access

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

## Facilities

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## **Terms of Reference**

### **Finance and Audit Scrutiny Panel**

To review all existing service plans and associated budget provisions against options for alternative levels of service provision and the corporate policies of the Council, and make recommendations to the Cabinet

To have an overview of the Council's internal and external audit arrangements and 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

**COLCHESTER BOROUGH COUNCIL  
FINANCE AND AUDIT SCRUTINY PANEL  
28 February 2012 at 6:00pm**

**Members**

Chairman : Councillor Sue Lissimore.  
Deputy Chairman : Councillor Will Quince.  
Councillors Michael Lilley, Jon Manning, Gerard Oxford,  
Mark Cory, Annie Feltham, Scott Greenhill, Pauline Hazell  
and Justin Knight.

**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 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**

To confirm as a correct record the minutes of the meetings held on the following dates;

a. 23 November 2011

**1 - 12**

To confirm as a correct record the minutes of the meeting held on 23 November 2011.

The minutes have previously been deferred pending agreement by the Chairman and Group Spokespersons to the wording of an additional sentence at the commencement of minute 28, Treasury Management - Half Yearly report 2011-12.

The agreed wording added to the minutes is "Councillor Lissimore asked the Panel Members not to use microphones during any discussion on the confidential table within the following item".

b. 6 December 2011

**13 - 17**

To confirm as a correct record the minutes of the meeting held on 6 December 2011.

These minutes were deferred at the last meeting pending an amendment to words spoken by Mr. John Loxley under Have Your Say for the item (Minute number 33) on the Completion of the Decent Homes Programme Plus future investment in the Council's Housing.

c. 24 January 2012

**18 - 22**

To confirm as a correct record the minutes of the meeting held on 24 January 2012.

## **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.

***Members of the panel may use agenda item 'a' (all other members will use agenda item 'b') as the appropriate route for referring a 'local government matter' in the context of the Councillor Call for Action to the panel. Please refer to the panel's terms of reference for further procedural arrangements.***

## **8. Decisions taken under special urgency provisions**

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

## **9. Referred items under the Call in Procedure**

To consider any decisions taken under the Call in Procedure.

## **10. Certificate of Claims and Returns - annual report**

**23 - 38**

See report from the Audit Commission.

Mr. Gary Belcher, Senior Audit Manager at the Audit Commission will attend the meeting and present the report.

The Panel is asked to comment on, and note the report.

**11. Financial Monitoring Report – April to December 2012** **39 - 44**

See report from the Head of Resource Management.

a. Appendix B **45 - 48**

b. Appendices C-F **49 - 58**

**12. Capital Expenditure Monitor 2011-12** **59 - 72**

See report from the Head of Resource Management.

**13. Work Programme** **73 - 74**

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 23 NOVEMBER 2011

*Present :-* Councillor Sue Lissimore (Chairman)  
Councillors Annie Feltham, Pauline Hazell,  
Justin Knight, Jon Manning, Gerard Oxford and  
Will Quince

*Substitute Members :-* Councillor Lesley Scott-Boutell for Councillor Mark Cory  
Councillor Martin Goss for Councillor Scott Greenhill  
Councillor Julie Young for Councillor Michael Lilley

*Also in Attendance :-* Councillor Elizabeth Blundell  
Councillor Tina Dopson  
Councillor Mike Hardy  
Councillor Sonia Lewis  
Councillor Beverley Oxford  
Councillor Paul Smith  
Councillor Anne Turrell

### 23. Minutes

The minutes of the meeting held on 18 October 2011 was confirmed as a correct record.

**Councillor Jon Manning (in respect of being acquainted with a 'Have Your Say' speaker) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)**

### 24. Referred items under the Call in Procedure

#### **Decision COM-004-11 Activity Centre services for people aged 50 and over**

The Panel were asked to consider the decision COM-004-11 Activity Centre services for people aged 50 and over, authorised by Councillor Tina Dopson, Portfolio Holder for Communities and Diversity on 2 November 2011.

The decision was called-in by Councillor Sonia Lewis, supported by four other Councillors, believing the decision had not taken account of the following principles, Consideration of all the options available, Clarity of aims and desired outcomes and having respect and regard for human rights.

#### **Have Your Say – Members of the Public**

Margaret Oakley, on behalf of the Activity Centre Members Committee (ACMC) addressed the Panel, asking Councillor Tina Dopson to give assurances that the existing community facility will be maintained and that all community users groups and

stakeholders remain an integral part of future governance arrangements.

Graham Warwick, on behalf of Iris Thompson, Treasurer to the Abbots Centre, addressed the Panel, saying the ACMC would like to know; i) who will be responsible for deciding what the service level agreement contains, ii) how long with the service level agreement remain in place, iii) what guarantees will be in place to ensure they are adhered to, iv) will existing staff be employed as they are essential to the smooth running of the centre, and it is thanks to their experience, ideas, care, enthusiasm and dedication that the centre is a safe and pleasurable place to be, v) assuming that the building will be hired by non-members in order to raise money, our concern is that without a dedicated, observant paid staff there is likely to be damage to member's property purchased over the years, and vi) can you guarantee that existing activities and provision of food will be continued for five days a week.

Nicola Hopkins, a member of the Colne Stroke Communication Group, addressed the Panel, saying she was very concerned by the decision to hand the lease for the Abbots Centre to Colne Housing. It appears to have been an extremely secretive, underhanded way that the decision was made by one Councillor, alone and with no discussions amongst other councillors. Ms. Hopkins said it cannot be right for one person to make decisions on behalf of a whole community, that it would be totally arrogant for someone to think that. Ms. Hopkins felt that whilst people are not totally happy with handing over the Abbots Road Centre to Colne Housing they did realise it would be in their best interests to work constructively with them, seeing it as a way to maintaining membership and allowing us the chance to participate fully in any future dialogue. Ms. Hopkins did not agree with handing over a Council owned and maintained facility to Colne Housing without any Service Level Agreement (SLA) in place, tantamount to lunacy, that there is no guarantee that the Company can deliver what will be asked of it, given nobody has specified what is needed. Regardless of what Councillor Dopson has stated on consultation, Ms. Hopkins knew of a number of user groups and organisations who were not consulted, for example, the Multiple Sclerosis Society members, those who attend blood donor sessions and so she believed members from the Lion Walk Centre, all amounting to a large number of people. Ms. Hopkins said it was a shame that Debbie Young the manager at the Abbots Road Centre was excluded from the dialogue that led to the decision being made, an employee of 21 years, with a wealth of experience and ideas for future uses. Ms. Hopkins provide the Scrutiny Officer with a list of questions to Councillor Tina Dopson, as follows, i) Can an assurance be given that Abbots will continue to operate as it is, with staff still employed for 5 days a week if Colne Housing manage the facility, ii) If the existing services are maintained, will the member's committee still have an input into the running of the centre, iii) The Colne Stroke Communications Group have been told that they will be invited to contribute to drawing up the SLA, will the invitation come from the Council or Colne Housing, iv) When will the SLA be formulated and will the SLA be long-term or up for renewal and re-tendered by a new company after a year, and finally, v) What format will be used for getting new group's views on running Abbots, believing it should be a face to face consultation.

Nicky Bailey addressed the Panel, saying the Council did not genuinely seek people's views on alternative arrangements for formulating its proposals and issuing its letter of 15 July informing members of the intended cessation of operation at Abbots. The

consultation undertaken was limited to assessment of the impact of the proposals, not to examining alternatives to the proposed cessation of operation. The wording of this letter and subsequent questionnaire was unequivocally clear, and the consultation was limited to registered members of the activity centres and did not include existing user groups. Ms. Bailey said in formulating proposals, the Council had not genuinely examined alternatives to the cessation of operation, including, how many members might be attracted, should the age limit be abolished and widened to include younger people, should it become a community centre, what other services could pay and use Abbots and whether current members are prepared to pay increased membership or usage fees. Membership by usage was around 370, larger than the 277 registered members quoted in reports and by the press. Ms. Bailey said the Council have assumed that the centre will always operate at a loss despite the Head of Life Opportunities stating in the report that extensive efforts have been made to increase membership, though there is no evidence to support this. Ms. Bailey believed there was evidence to the contrary, and that given the saving achieved by the cessation of the operation is only £34,000 and consideration to increasing income would contribute towards the shortfall. Ms. Bailey said there was no information about Abbots Activity Centre on the Council's website. The decision to change the Centre's operator in advance of a proper consultation process had resulted in no opportunity being provided for current members to give their views, a process that was not honest, open or impartial. The Council now intends to undertake a consultation after the contract is awarded, therefore, nobody will know what the level of service will be, with a third party invited to choose that level for itself.

Elaine Rogers, Colne Communication Group Coordinator addressed the Panel, saying that although the Colne Communication Group might not be entirely happy with the direction that the council is taking Abbots, we do recognise that Colne Housing is a serious player with considerable experience in working alongside the Council. The Group wished to work constructively with them in achieving the best outcome for us as a user and for the centre as a whole. A sensitively handled transition period will be crucial to maintaining membership and we consider it essential that we participate fully in any dialogue. Ms. Rogers agreed with all the points raised and questions asked by Nicky Bailey and Nicola Hopkins, that her research confirms that all comments are valid. Ms. Rogers felt that as Portfolio Holder, Councillor Dopson's management of changes has been secretive and without regard for others opinions, that on the one hand we read about the wonderful groups for the elderly that Councillor Dopson is setting up, but on the other, we hear of groups having financial difficulties because of a lack in numbers and still more that have closed down. Yet she initially considered closing a thriving centre without a feasibility study or comprehensive consultation. But for Councillor Lewis' reassurance recently that she has every faith in Colne Housing, I would not trust their ability and Councillor Dopson's procedure did not instil confidence. Ms. Rogers felt a baseline Service Level Agreement draft specifying expectations was obligatory, and expected bids received to be well above this and if none met the requirements specified she expected the process to be re-advertised and repeated. An especially stressful experience for members was finding that they could not ask Debbie Young questions, they could no longer confide in her and seek advice. She has been the mainstay at Abbots for some twenty plus years; she would make an excellent consultant in guiding the initiatives for the elderly. She and her staff are dedicated,

always giving beyond expectation and have achieved much over the years. Ms. Rogers hoped they will be given the opportunity to make recommendations regarding their future, should they so wish and trust that the council would be open to considering them as possibilities.

Alan Thomas, a volunteer for the Colne Communication Group, addressed the Panel, saying Abbots, a purpose built activity centre was run by a group of hard working staff led by Debbie Young, and the premises and its facilities are ideal for the needs of his group, and he would ideally like to see this arrangement carry on as it is, and the recent petition of 5,000 signatories endorsed this view. Mr. Thomas was not happy with the decision taken, but hoped he and others would have the opportunity to work constructively with the Colne Housing Group in achieving the best outcome for our user group and for the Centre as a whole. Mr. Thomas also asked questions to the Portfolio Holder for Communities and Diversity, namely i) Will there be opportunities for the current staff to continue in their current roles, ii) will the existing services be maintained, iii) Will the request for responding to the formulation of the SLA come from the Council or Colne Housing, iv) what is the timescale for completing the SLA, and v) what form of consultation will take place to receive comments from all user groups.

Andy Abbott addressed the Panel, referring the Panel to a report in this week's Daily Gazette, and the plight of the Evergreen Homes Charity, with their activities in danger of ceasing. This situation highlighted the grave dangers for the Abbots Centre if it was itself to run on a charitable basis. Mr. Abbott believed that changing from a Council run activity to one run on a charitable basis was a breach of the current member's human rights.

Nick Chilvers addressed the Panel, saying that the aims and objectives of the decision that was to be taken should have been determined before the decision was taken, and that would formulate the SLA. The Council appeared to be going down the road of letting out a contract and then determining a SLA for the preferred service provider. Mr. Chilvers said reluctantly we are where we are, asking who will undertake the consultation process with members and user groups. He suggested there should not be any further questionnaires as members had lost interest in this form. Mr. Chilvers suggested that if the consultation was carried out by Colne Housing, as it appeared senior management at Life Opportunities had stepped back from the process and had given it little thought, Cone Housing should visit the centre to have face to face contact with members and user groups, and the process needed to start soon

### **Have Your Say - Councillors**

Councillor Hardy addressed the Panel saying from the outset the decision taking process has been flawed, with the decision driven by a compelling need to balance the Budget.

Councillor Blundell addressed the Panel saying she felt the role of the Council in determining the process that led to the decision was confused and disjointed. A lack of a proper consultation, with the views of stakeholders not properly considered had led to the failure to consider all the options available. The only choice appeared to be that of 'closure', with no consideration given to how ideas and options could make the centre

viable and thereby allow it to continue as before. Councillor Blundell said many members had contributed to facilities and fittings within the centre that are an important part of the fabric of the building and have made the centre such a success. Councillor Blundell said this decision had been pushed through with haste with the notion that current members should make alternative arrangements. Councillor Blundell asked the Portfolio Holder to reconsider the decision taken and undertake a thorough consultation before making a final decision.

Councillor Harrington addressed the Panel saying the debate around this decision at Full Council on 18 October lost its way. What the signatories to the petition wanted to see was a continuation of the services provided. Some of the petitioners are vulnerable older people, unable to cope without help and assistance, and their sentiment remained clear, that they want to keep open the centre in its present form. Councillor Harrington said it was unclear as to what services will be provided in the future, that the arrangements had been entered into back to front, with the need for an SLA to be provided from the outset. Members and user groups were not given an opportunity to provide alternative solutions such as consideration to an increase in fees and charges, and Councillors such as Councillor Lewis, worthy people to express an opinion were not given the opportunity to participate in the process. Councillor Harrington urged the Panel to refer the decision back to the Portfolio Holder for further consideration and to include Councillor Lewis and Debbie Young, the Centre Manager in any future discussions.

### **Presentation of the Call in**

Councillor Lewis addressed the Panel to explain the reasons for the call in.

Councillor Lewis said the Abbots Activity Centre was dear to her heart, a centre that she was personally involved with from the outset some thirty years ago. Councillor Lewis thanked the previous speakers for their comments of Debbie Young the current centre manager. Whilst understanding the issues around the running costs of the centre, she said had the Council spoken more widely to interested members and groups, she was sure that they could have put forward a business plan. Whilst part of the decision was to invest £15,000 of saving from the decision into the Lion Walk Centre, Councillor Lewis said the two activity centres should not be compared, they both offered a different range of facilities. Councillor Lewis also believed the footfall to the Abbots Centre was in the region of 800 per week, a very high usage rate, and an important factor when measuring retail outlet success.

Councillor Lewis said she did hold Colne Housing in high regard and has assured everyone they are a group that do sterling work within the local community.

With Colne Housing as the future service provider, Councillor Lewis said it was imperative that they and the Council involve all members and user groups in the future process. Councillor Lewis said if the decision was confirmed, she hoped that a group of cross party councillors would also be involved in the process. Councillor Lewis said Colne Housing did not as far as she was aware, have any experience in voluntary health and social care and there needed to be assurances that this important aspect of work was continued.

Councillor Lewis challenged the validity of the process, questioning whether appropriate site visits were undertaken, the consultation process was adequate and whether all options such as a trust organisation had been considered.

In response to Councillor J Young, Councillor Lewis said that whilst she had said she held Colne Housing in high regard, without knowing the details of other submissions she was unable to say whether it was advantageous to commence with Colne Housing sooner than later. Councillor Lewis also believed that it would be possible through a trust status to make Abbots Centre run on a sound financial footing without subsidy.

Councillor Manning agreed that the current manager of the centre, Debbie Young, was very important to the future consultation process, and asked how long a cross party group would take to draw a conclusion on what is best. Councillor Lewis said on the assumption that a proper consultation process would be undertaken a conclusion could be reached within 3 months.

In response to Councillor Quince, Councillor Lewis said it had been implied that by calling in this decision she had been mischievous. Councillor Lewis said this was not the case, born out by the level of correspondence she had received, and if nothing else was achieved by the call in, Colne Housing had at least heard the feelings of people which had to be good.

Councillor Lewis responded to Councillor J Young, by saying she did think there was advantages to the Abbots Activity Centre becoming a community centre, but would prefer that the centre was given trust status in its current form. This could potentially draw in grant funding and this was a serious option that needed consideration.

### **Portfolio Holder Response**

Councillor Dopson addressed the Panel, responding to Councillor Lewis and the previous speakers.

Councillor Dopson said Councillor Lewis believed the decision did not take account of three principles of decision making set out in article 13.02 of the Constitution and as stated in paragraph 3.2 of the Scrutiny Officer's covering report, and she wished to give assurances to Councillor Lewis and the visiting public that this had not been the case.

Councillor Dopson said the process used by Portfolio Holders when determining the outcomes of a decision were procedurally consistent and did not include dodgy practices. The process to others may not seem transparent, but members and officers are not working in an organisation where decision makers are working independently, making decisions solely off their own back.

Councillor Dopson said a SLA will be agreed, using the evidence drawn from a proper full consultation process with full engagement with all stakeholders. Councillor Dopson agreed totally with Mr. Chilvers who said the consultation should include face to face engagement with all small and large user groups, and assured the Colne Communication Group will be the first stakeholder to be consulted.

Councillor Dopson said the full consultation would provide the evidence from which the SLA would be determined, and this would form the second decision to be taken. Councillor Dopson wanted to reassure those present that she and other Portfolio Holders work under the same governance procedures as all previous portfolio holders under the Council's current Cabinet arrangements, and the process used is transparent.

No matter what decisions are taken, Councillor Dopson said Abbots was always going to remain open and confirmed the consultation process would be face to face, not through email or questionnaire. Councillor Dopson confirmed that she would respond to all speakers in writing.

In response to Councillors Lissimore and G. Oxford, Councillor Dopson said engagement and consultation would take place as soon as possible and would form a further Portfolio Holder report to be signed off and subject to call-in. Councillor Dopson said if it was preferred she would be happy to have the report pre-scrutinised by the Panel before being formally approved.

Responding to Councillor Manning, Councillor Dopson said the consultation process would be expected to be completed by the end of January 2012, but whilst it was important to complete this process as soon as possible it would not be rushed. It was also confirmed that Colne Housing had a proven track record and there was no concerns about the organisation's resources or finances. In response to Councillor Hazell, Councillor Dopson said the SLA and lease agreement will be determined following the consultation with current and future stakeholders.

Councillor Dopson confirmed to Councillor Oxford that the process leading to the current decision was carried out in line with the process used for all the Council's decision making.

Councillor Oxford said he would as part of the Panel's final resolution propose that the Panel agree to the pre-scrutiny of the future report and decision of the new SLA and lease with Colne Housing Society Limited.

Responding to Councillor Quince on the timing of the process, Councillor Dopson said in terms of engagement with organisations, workshops were offered to those that had expressed an interest in leasing and managing Abbots. Councillor Dopson did not have any concerns with the voluntary organisations the Council is engaging with as they provide a vast amount of knowledge and experience. Advertisements were placed for the first two weeks in September inviting expressions of interest from organisations that would be interested in leasing and managing Abbots prior to the organised workshop. At this time no feasibility study was undertaken as this was about considering the initial proposal from the Council. Councillor Dopson said any interested organisation could express an interest though Colne Housing is only one of four organisations that did so, and of those Colne Housing did have a very good track record with the right expertise. Councillor Dopson said another applicant expressing an interest was an individual who did not have any experience, but was concerned over a possibly closure. Councillor Dopson confirmed that all those expressing an interest, organisations and individuals alike, are scored against the same Equality Impact Assessment criteria. Councillor

Oxford confirmed later in the discussions that he had enormous respect for Councillor Lewis. Councillor Oxford said that when attending the Abbots Centre Annual General Meeting, members attending the meeting had been advised that they could if they so wished, formulate an expression of interest.

Councillor Dopson said a task and finish group could undertake to review the process, but did not think this was a sensible approach and preferred that the full consultation process and agreement of a SLA and lease with Colne Housing was completed as soon as possible to allow Colne Housing the opportunity to put the Centre on a more sustainable footing. Councillor Manning later said he believed a task and finish group was not the best way forward and expressed preference for the current process to continue and for the future decisions to be taken to be subject to pre-scrutiny by this Panel.

Councillor J Young said she would second the proposal made by Councillor Oxford.

Councillor Dopson confirmed to Councillor Goss that if the negotiations over the SLA and lease are not amicable, the Council will not continue with the process. Colne Housing are however very supportive of what the Council wishes to put in place. In regards to the question concerning notification of the current position, the four remaining expressions of interest had been informed that they had been unsuccessful.

## **In Summary**

Councillor Lewis gave her closing remarks, saying she had been actively involved with the Abbots Centre since it had opened. Councillor Lewis believed everything put forward by her and the previous speakers was linked to the principles of decision making for which she believed the decision had not taken account of. Councillor Lewis said a petition of 5,000 signatories only confirmed to her that her actions had been justified. Councillor Lewis concluded by saying that if this decision was confirmed, she hoped any future decision on the SLA and lease agreement would be offered to the panel for pre-scrutiny.

Councillor Dopson gave her closing remarks, saying she believed that her decision had taken account of all the principles of decision making as set out in Article 13.02 of the Constitution, and this had been evidenced. Councillor Dopson said facts, not opinions, had a place in the decision making process. Councillor Dopson gave an assurance that all members and stakeholders of the Abbots Centre will be consulted face to face as part of the SLA and lease agreement process, with the contents of the SLA reflected by the outcomes of the process, and an Equality Impact Assessment will be produced alongside the SLA. Councillor Dopson concluded by saying she did not think the decision taken was in violation of human rights issues.

## **Conclusion**

Mr. Judd, Scrutiny Officer confirmed to the panel that pre-scrutinising any future decision would be the one opportunity for scrutiny. Mr. Judd said the Panel would, like a call in hearing, be able to confirm the decision or refer the decision back to the Portfolio Holder. In the case of a referral, if the Portfolio Holder did not agree with the



Panel's proposals the decision would be referred to the Cabinet to determine the matter.

Mr. Judd said the timing of any future scrutiny would be done in agreement with the Portfolio Holder and Chairman, either at a scheduled or extra meeting whichever is the most convenient for all, though consideration will be given to moving the date of a current meeting so as to avoid an extra meeting.

*RESOLVED* that the Panel:

- i) Confirmed the decision COM-04-11 Activity Centre Services for people aged 50 and over (UNANIMOUS).
- ii) Requested that the Portfolio Holder for Communities and Diversity allow the Panel to pre-scrutinise the future decision on the service level agreement and lease with Colne Housing Society Ltd to operate the Abbots Centre as a community facility.

## **25. 1st and 2nd Quarter Risk Management progress report**

Mrs Hayley McGrath, Risk and Resilience Manager, presented the report detailing the 6-monthly position on Risk Management progress.

Ms. McGrath explained the key messages, that there has been an increase in the number of insurable risks occurring, which has resulted in additional insurance premiums being charged and the key risk for quarters one and two continued to be the potential impact of future central government decisions to reduce public funding, including that of partners.

Ms. McGrath gave an overview of the work undertaken during the period, including the risk strategies and registers that have been developed for the joint services.

Ms. McGrath explained that the risk matrix as shown in appendix 2 of the report had been amended following recent discussions. She explained changes had resulted in no risks moving into 'High Risk', though one risk, the inability to deliver the budget strategy in the current economic climate (6c), had moved from high to medium risk.

In response to Councillor Feltham, Ms. McGrath said despite the current economic climate, the number of high risks remains low. The risk register recognised that the probability of risk is quite high, but the plans in place to mitigate the risks means the impact is not as great.

*RESOLVED* that the Panel considered and commented on the risk management activity between April and September 2011, and noted the Strategic Risk Register.

## **26. Financial Monitoring report April - September 2011**

Mr. Sean Plummer, Finance Manager, presented the report detailing the 6-monthly

position on the Financial Monitor, requesting the Panel to note the financial performance of General Fund Services and the Housing Revenue Account.

Mr. Plummer explained the General Fund position as at period 3 was showing a potential overspend of £673k. Following the budget process review of the 11/12 budget position, the current forecast outturn is a net overspend of £262k. This net overspend shows a significant reduction does take account of the contingency of £400k allocated by the Cabinet, given the budget risks for the year.

Mr. Plummer drew member's attention to appendix D of the report, setting out all savings that have now moved to the delivered category, and appendix E that sets out the risk assessment of the savings in progress.

In response to Councillor Manning concerning the savings in progress and the comments made for the development of Aqua Springs offers and facilities to generate additional customer income, Mr. Plummer said the comments set out the factors that can affect income.

Councillor Smith, Portfolio Holder for Resources and ICT said he commended the hard work and diligence of officers in providing a Budget that is by and large being achieved.

*RESOLVED* that the Panel considered and noted the financial performance of the General Fund Services and the Housing Revenue Account in the first six months of 2011-12.

## **27. Capital Expenditure Monitor 2011-12**

Mr. Sean Plummer, Finance Manager, presented the report detailing the progress against all capital schemes in the first six months of 2011/12.

Mr. Plummer drew members attention to paragraph 4.2 of the report that noted forecast spending for 2011/12 as £17.4m, and paragraph 4.4 of the report that summarised the projected variances against current schemes.

*RESOLVED* that the Panel considered and noted the level of capital spending during 2011/12 and forecasts for future years.

## **28. Treasury Management - Half Yearly report 2011-12**

**The Panel/Committee resolved under Section 100A(4) of the Local Government Act 1972 and the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.**

Councillor Lissimore asked the Panel Members not to use microphones during any discussion on the confidential table within the following item.

### **Treasury Management - Half yearly report 2011/12**

Mr. Sean Plummer, Finance Manager, presented the report detailing the Treasury Management performance for the first six months of 2011/12.

Mr. Plummer spoke about the Housing Revenue Account reforms as mentioned in paragraph 5.2 of the report, informing members that more detail on the new financing arrangements would be coming in the near future.

Mr. Plummer said the Council held £21.7m of investments as at 30 September 2011 and the investment yield for the first 6 months of the year is 0.72%.

Mr. Plummer drew members attention to paragraph 8.2 of the report that explained the current situation in regards to the Icelandic Investments, and giving details on priority creditor status for test cases and non test cases. Colchester was a non test case, and as such payments to those creditors will be held in independent accounts.

Mr. Plummer explained that these payments did not amount to 'new money', and had been accounted for in the Council's accounts. Previous accounts had built in the investments at a payback rate of 94.85%, a figure that had been based on advice from CIPFA, though the current advice suggests the actual repayment percentage will be 98%.

Mr. Plummer confirmed to Councillor Lissimore that the investments are retained in an investment bearing account attracting an interest payment on top of the repayment figure.

In response to Councillor Quince, Mr. Plummer confirmed that there had been two Icelandic Bank investments made that were short term (3-months) in duration, fixed term deposits for a fixed set of time, to be paid on maturity. Councillor Smith, Portfolio Holder for Resources and ICT said of the £10m of investments made at the commencement of this Administration, £6m of these have been repaid, with the outstanding Icelandic Investments of £4m to be repaid in accordance with the process set out in the report.

Responding to Councillor Feltham, Mr. Plummer explained that the 'Red' (6-months) and 'Orange' (12 months) notifications against investments as set out in Appendix B of the report formed part of the process for determining who the Council invest with. The categories, which determine the length of investment, form part of the policy for treasury management as agreed by Council.

*RESOLVED* that the Panel considered and noted the activities relating to treasury management for the first six months of 2011/12, and the expected impact of the Housing Revenue Account reform measures on the Prudential Indicators and capital and treasury plans.

## **29. Work Programme**

*RESOLVED* that the Panel noted the current Work Programme.

## FINANCE AND AUDIT SCRUTINY PANEL 6 DECEMBER 2011

*Present :-* Councillor Sue Lissimore (Chairman)  
Councillors Mark Cory, Annie Feltham, Pauline Hazell,  
Justin Knight, Michael Lilley, Jon Manning,  
Gerard Oxford and Will Quince

*Substitute Member :-* Councillor Theresa Higgins  
for Councillor Scott Greenhill

*Also in Attendance :-* Councillor Kevin Bentley  
Councillor Nigel Chapman  
Councillor Paul Smith

### 30. Minutes

The confirmation of the minutes of the meeting held on the 23 November was deferred until the next meeting.

### 31. Annual Audit Letter

Ms. Debbie Hanson, District Auditor, Audit Commission, attended the meeting and presented the Annual Audit Letter (AAL) and Audit Committee Update.

The update provided the Panel with a report on the progress in delivering the Audit Commission responsibilities as the external auditor, and the externalisation of the audit practice.

Ms. Hanson explained that the AAL is presented to the Panel each year. The Key Messages as detailed on page 3 of the report, an unqualified audit opinion and proper arrangements in place to secure value for money was very positive and a reflection of the efforts made by the Council. In terms of value for money, Ms Hanson confirmed that the Council's proper arrangements secured financial resilience.

Whilst the Council had financial resilience there remained continual challenges, but through the Fundamental Service Review (FSR) process, the Council had shown itself to be innovative in respect of the way functions and services within, for example Street Services and Revenues and Benefits, are being delivered and there are further FSRs planned.

Ms. Hanson said there will be further challenges ahead such as the housing revenue reform and the self financing of the Housing Revenue Account, and welfare reform.

Ms. Hanson also introduced the Audit Committee Update report that provided members on the progress in delivering the Audit Commission's responsibilities as the external auditor. The Audit Commission expected to begin work on updating planning, systems documentation and walkthrough of systems for the 2011/12 audit in January 2012 and will bring her audit opinion plan to the meeting on 24 January 2012.

Responding to Councillor Manning, Ms. Hanson said whilst the Council was affected by the collapse of the Icelandic banks, the current expectations are that much of these investments will be recovered. This was a very specific case. Whereas, there is uncertainty about how Standard & Poor's warning of a mass downgrade of euro zone countries will resolve the euro crises. Locally, it would create a significant risk on borrowing, especially for the financing of the Housing Revenue Account.

Mr. Plummer, Finance Manager, explained that the Treasury Management Investment Strategy will be presented to the Panel at the meeting on 24 January 2012 was the opportunity for the Panel to note the Treasury Management Policy and credit ratings, and would include an outline of the new housing finance reforms.

Ms. Hanson responded to Councillor Manning, explaining that in regards to the variance on fees for 2010/11, the Audit Commission did not usually expect reductions in fees as they are usually set by way of reference to previous years. No variance to the fee represented a good job.

Ms. Hanson confirmed to Councillor Manning that whilst the report was in colour, it did have alternative symbols to qualify the findings, and was happy in future years to have the report presented in black and white.

In response to Councillor Cory, Ms. Hanson confirmed that the Audit Commission in its present form was to be disbanded, but qualified this by saying it did have another obligation to fulfil, the appointment of other external auditors. Ms. Hanson confirmed the details of the externalisation of the Audit Practice as detailed on page 4 of the Audit Committee Update report.

*RESOLVED* that the Panel considered and noted the contents of the 2010/11 Annual Audit Letter and the contents of the Audit Committee Update.

## **32. Annual Governance Statement**

Mrs Hayley McGrath, Risk and Resilience Manager, presented the interim review of the Annual Governance Statement Action Plan.

Ms. McGrath mentioned the key messages, that there has been progress against all of the issues identified in the action plan (the Action Plan had previously been reported to the Accounts and Regulatory Committee as part of the Annual Governance Statement 2010/11) and the audit of the final accounts for 2010/11 did not raise any concerns with the Annual Governance Statement or the action plan. Accordingly the statement was published for inspection.

Ms. McGrath brought the Council's joint services (Colchester and Ipswich Museum Service and the North Essex Parking Partnership) governance statements (appendix 2 of the covering report) to the attention of members.

Appendix 1 of the report showed those individual internal control issues relating to 2010/11. Ms. McGrath explained that there was confidence that item 1, "Contract

Procedures”, would be resolved by the end of 2011/12.

The issues for item 2 on "Homelessness" had now been resolved, with Ms. McGrath confirming to Councillor T. Higgins that the recommendations by the internal auditors on systems and processes had been implemented. On item 3, "Managing the Risk of Fraud", a lot of the action work had now been undertaken, and item 4, "IT Disaster Recovery", Ms. McGrath had been given assurances that the actions had been implemented.

*RESOLVED* that the Panel considered and noted the work undertaken to implement the current Annual Governance Statement Action Plan.

**Councillor Annie Feltham (in respect of being a member of the Board of Colchester Borough Homes) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)**

**33. Completion of the Decent Homes Programme Plus future investment in the Council's Housing**

**Have Your Say**

Mr. John Loxley addressed the Panel saying whilst he was aware that properties could pass the decency standard without all attributes being updated, he believed if any major interior items such as kitchen and bathroom are deficient, a property should not be considered to be a 'decent home'. Mr. Loxley was aware of a tenant where an old bathroom had not been improved and did not consider this to be a decent home.

Councillor Lissimore informed Mr. Loxley that he would in due course be responded to in regards to his query.

**General Discussions**

Ms. Lindsay Barker, Head of Strategic Policy and Regeneration, Mr. John Rock, Contracts Risk and Service Manager and Mr. Mark Wright, Director of Property Services at Colchester Borough Homes attended the meeting for this item.

The Finance and Audit Scrutiny Panel has received regular updates on the Capital Improvement Programme (Decent Homes Programme) for the past two years, and Ms. Barker introduced the report previously presented to the Cabinet meeting on 30 November 2011 that informed members of the completion of this programme. This report also notified the Cabinet of the proposed strategy for a five year Housing Investment Programme.

Ms. Barker said this was a very good news story with the Council achieving decency a year earlier than planned, later explaining with this job now done it was an opportunity for the Council to look positively to the future.

In response to Mr. Loxley, Mr. Wright confirmed that all properties had attained a decency standard. Mr. Wright said not all the separate interior elements within a property have to pass the standard, and this had been explained in paragraph 5.4 of the report.

Mr. Wright said whereas a bathroom in a property may be life expired (old) and in poor condition and therefore fail the decent homes standard, because all of the other qualifying elements in the property i.e. Kitchen, heating etc are neither old nor in poor condition the property itself passes the Decency standard.

Mr. Wright confirmed that almost all of the bathrooms in the housing stock appear in the backlog under the Investment plan simply as they are life expired and the financing of these refurbishments will be met through the 5 year Housing Investment Programme (HIP).

Mr. Rock said the original Gold Standard refurbishment went beyond the decency standard and in the early days of the Decent Homes Programme the Gold Standard provided for new kitchens and bathrooms.

It was confirmed to Councillor Manning that of the £3,041,172 not spent against the Decent Homes Budget, this included the work that has been refused, valued at £706,600. This work remained outstanding, to be carried out when tenancies change. The net underspend was £2,334,572.

Ms. Barker responded to Councillor Manning saying the 5 year HIP was part of an overall 30 year investment model, established to support the Housing Revenue Account business planning process that will provide good quality accommodation, maintaining the value of all assets. There was a great deal of confidence that the HIP would be completed within the timescales, picking up all outstanding works.

Councillor Quince believed this was most definitely a good news story, a substantial way to where the Council needs to be.

Mr. Rock confirmed to Councillor Cory that the 5 year HIP will pick up on all those elements not previously completed e.g. replacement of old bathroom or kitchen.

Councillor Smith, Portfolio Holder for Resources and ICT said the new investment model including the 5 year HIP will allow Colchester to set their own standards, good news and very much part of the localism agenda. Councillor Smith expressed favour in this new approach.

*RESOLVED* that the Panel considered and noted the Cabinet report on the completion of the Decent Homes Programme and future investment in the Council's housing.

### **34. Half yearly Internal Audit Assurance report**

Ms. Hayley McGrath, Risk and Resilience Manager, presented the report providing a half yearly update on the Internal Audit Assurance report for 2011/12.



Ms. McGrath mentioned the key messages within the report, i) that the Council has continued to provide an effective internal audit service during the first half of the 2011/12 financial year, ii) the Housing and Council Tax Benefit audit received a 'Full' assurance rating. This area also received full assurance ratings in 2010/11 & 2008/09, iii) that assurance ratings for Waste Management, Booking of Public Premises and CCTV audits have improved from 'Limited' to 'Substantial', iv) the Managing the Risk of Fraud audit received a 'Limited' assurance rating. This was the first audit of this area, v) there has been 2 priority 1, 54 priority 2 and 8 priority 3 recommendations made and all recommendations have been accepted by management, and vi) there continues to be good progress made in implementing and verifying outstanding recommendations

Having reviewed the outstanding recommendations as shown in paragraph 8.2 of the report, Ms. McGrath confirmed there was now only 1 of the 19 recommendations overdue, with the number of recommendations not due rising from 53 to 55, and the number of recommendations awaiting verification by the internal auditors rising from 45 to 61.

Ms. McGrath confirmed to Councillor Lissimore that the recommendations in relation to the audit 623 "Cemetery and Crematorium" are about ensuring the synchronisation of the dual system updates.

*RESOLVED* that the Panel commented on and noted the 2012/13 Internal Audit Work Programme, the internal audit activity for the period April – September 2011 and the performance of internal audit by reference to national best practice benchmarks.

### **35. Work Programme**

Mr. Robert Judd, Scrutiny Officer confirmed to the Panel that the item on the Financial and Parking Aspects of Park and Ride has been deferred and provisionally scheduled for the meeting on 27 March 2012, pending the completion of the modelling work commissioned by Essex County Council.

*RESOLVED* that the panel noted the revised Work Programme.

## **FINANCE AND AUDIT SCRUTINY PANEL**

### **24 JANUARY 2012**

*Present :-* Councillor Sue Lissimore (Chairman)  
Councillors Mark Cory, Annie Feltham, Scott Greenhill,  
Justin Knight, Michael Lilley, Jon Manning,  
Gerard Oxford and Will Quince

*Substitute Member :-* Councillor Mike Hardy for Councillor Pauline Hazell

*Also in Attendance :-* Councillor Tina Dopson  
Councillor Paul Smith  
Councillor Tim Young

### **36. Minutes**

The approval of the minutes of the meetings held on 23 November 2011 and 6 December 2011 were deferred to the next meeting.

### **37. Audit Opinion Plan 2011-12**

Ms. Debbie Hanson, District Auditor, Audit Commission and Mr. Gary Belcher, Audit Manager attended the meeting for this and the following item.

Ms. Hanson presented the Audit Opinion Plan 2011-12 to the Panel, providing a report on the work of the Audit Commission towards the 2011/12 audit, with the plan based on the Audit Commission's risk-based approach to audit planning.

Ms. Hanson drew Members attention to the significant risks identified in the papers, those of Heritage Assets, the new IT System, HRA reform and the Visual Arts Facility (firstsite), and the testing strategy adopted by the Commission.

Councillor Manning thanked officers for producing the Audit Commission reports in black and white.

*RESOLVED* that the Panel considered and noted the contents of the Audit Commission's Plan 2011/12.

### **38. Audit Commission Progress Report**

Mr. Belcher presented the Audit Committee Update, the purpose of which is to provide the Finance and Audit Scrutiny Panel with a report on the progress in delivering the Commission's responsibilities as the Council's external auditor.

Ms. Hanson confirmed to Councillor Lissimore that the key considerations for members as listed in the report are standard questions that can sometimes generate a response from clients. There had recently been a fraud case involving fraudsters seeking to

change the banking details of Council's customers, and where successful it would end in a financial loss to the Council. In this case, the 'Fraud Prevention Checklist' helps Council's address potential weaknesses.

*RESOLVED* that the Panel considered and noted the Audit Commission's Audit Committee Update.

### **39. 2012/13 Budget Strategy**

Mr. Sean Plummer, Finance Manager, explained that this was an opportunity for the Panel to consider collectively, the attached Cabinet reports on the 2012/13 Revenue Budget, Capital Programme and Medium Term Financial Forecast, the Housing Revenue Account Estimates 2012/13 that had a significant impact on the Council's finances, the Housing Investment Programme (HIP) 2012/13 and the Treasury Management Strategy 2012/13 giving practical implications on borrowing. All these reports are inextricably linked as part of the overall budget process, and all forming the overall decision to be taken by the Cabinet at tomorrow evening's Cabinet meeting.

Mr. Plummer presented the Cabinet report that provided an update on the 2012/13 Revenue Budget, Capital Programme and Medium Term Financial Forecast, prepared in accordance with a process and timetable agreed at Cabinet and endorsed by the Strategic Overview and Scrutiny Panel.

Mr. Plummer said it is proposed that the Council's element of the Council Tax be frozen for 2012/13, and this would be achieved against a background of significant reductions in core government grant funding and other cost pressures, and without the use of additional reserves to balance the budget.

The Current Year's Financial Position is the forecast outturn is expected to be a small overspend of less than £200k. This forecast shows an improvement on the position reported during the year and reflects work undertaken to identify budget savings in year.

The 2012/13 Revenue Cost Pressures in appendix B, set out revenue cost pressures, over the 2011/12 base, of £1,621k which has been identified during the budget process. The 2012/13 Growth Items were set out in appendix C, totalling £696k which are recommended for inclusion in the budget. Appendix D identified the 2012/13 Revenue Saving / Increased Income, totalling £1.696m, less than that required for the 11/12 budget but remaining a significant sum.

Mr. Plummer said the provisional Local Government Finance Settlement, announced in Parliament on 8 December 2011, is £8,671k. This represents a decrease on the adjusted 2011/12 grant of £833k or 8.8%. As been the case for the last four years the grant has been reduced by the system of damping or floors. The floor methodology, designed to ensure that no authority receives a cut greater than a given level, shows that for Colchester the cost of damping is £1.165m.

Councillor Lissimore thanked officers for their hard work in providing a report that given

the complexity, was relatively easy to read.

Mr. Plummer confirmed to Councillor Manning that the Budget would result in no impact on Parish Council grants. The grants to Parish Councils, £102,000 for 2012/13 has already been agreed and had not changed from 2011/12.

In response to Councillor Manning, Mr. Plummer said whilst it was proposed to have a 'no increase' in the Council's element of Council Tax, the expected budgets from Essex County Council for e.g. fire and police services, would not be known until February.

Responding to Councillor Cory, who believed the Budget had been determined through a systematic, balanced approach, rather than what appeared to be a 'salami slicing' approach by many other public bodies, Mr. Plummer said the Budget has been achieved through the budget strategy process that had delivered efficiency savings, e.g. a new IT Contract and identifying opportunities to increase income, a point emphasised earlier by the Audit Commission. Councillor Smith, Portfolio Holder for Resources and Heritage said a lot of work had gone into identifying savings through the Fundamental Services Review process. Work on the current Budget commenced back in February 2010, a long-term planned process that questioned the way the Council delivers its services and whether there was a more efficient way. For example, 60% of Housing Benefit claim forms are now completed on-line, a system that avoids forms being incorrectly completed or mandatory information not being provided, that in the days of manual form filling, would have created many delays to the process. In response to Councillor Lissimore, Councillor Smith acknowledged that there are many vulnerable people without the IT skills needed to undertake on-line claims, and the increase in efficiencies because of this new way of working, enabled staff to give more time to vulnerable people either to help them complete the information on-line or at the Angel Court reception.

In response to Councillor Quince, Councillor Smith confirmed that under the grant floors system, Colchester's grant was reduced by £1.165m, the fifth largest reduction of all district councils. Despite the reduction in Government funding, the Council was to produce a balanced budget with no change to the Council Tax rate.

*RESOLVED* that the Panel considered and noted the 2012/13 Revenue Budget, Capital Programme and Medium Term Financial Forecast.

**Councillor Annie Feltham (in respect of being a member of the Board of Colchester Borough Homes) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)**

**40. Housing Revenue Account Estimates and Housing Investment Programme**

Mr. Darren Brown, Housing Accountant, presented the Cabinet report that provided an update on the Housing Revenue Accounts (HRA) Estimates 2012/13, to be considered by Cabinet on 25 January 2012.

Mr. Brown said the estimates reflected the changes in HRA reform (self-financing), that radically alters the funding of Council Housing, and included house rents set within Communities and Local Government (CLG) guidelines, therefore set by reference to Government national policy.

*RESOLVED* that the Panel considered and noted the Housing Revenue Account Estimates 2012/13.

**Councillor Annie Feltham (in respect of being a member of the Board of Colchester Borough Homes) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)**

**41. Housing Investment Programme (HIP) 2012-13**

Mr. Darren Brown, Housing Accountant, presented the Cabinet report that provided an update on the Housing Investment Programme (HIP) 2012/13, representing a substantial increase in investment from 2011/12 under the last year of the HRA Subsidy system. The report would be considered by Cabinet on 25 January 2012.

*RESOLVED* that the Panel considered and noted the Housing Investment Programme (HIP) 2012/13.

**Councillor Annie Feltham (in respect of being a member of the Board of Colchester Borough Homes) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)**

**42. Treasury Management Investment Strategy**

Mr. Steve Heath, Finance Manager presented the Cabinet report that provided an update on the Treasury Management Strategy Statement to be considered by Cabinet on 25 January 2012.

The strategy for 2012/13 was largely unchanged, with a bank rate of half a per cent forecast for the remainder of the year. The investment policy was one of low risk, emphasising the priority of security and liquidity, with the Council only using approved counterparties from countries with the highest credit rating of 'AAA', together with those from the UK.

In response to Councillor Manning, Mr. Heath said the outlook for bank rates was very low so there was no impact of a narrowing investment market by not investing with e.g. 'AA' rated France. The Council has recently entered into 'AAA' rated investments in many market funds.

Councillor Smith drew member's attention to paragraph 5.4 of the HRA Reform Borrowing report that mentioned the Council's ambitions to undertake significant investment in the housing stock. This could include additional borrowing up and it was proposed that the new borrowing should consist of a range of loans over the 25 to 50 year period, which should result in an even spread of maturities once the existing debt has been taken into account. This approach will still enable pooled HRA debt to be repaid providing that there is sufficient capacity available. It will also ensure that the Council takes full advantage of the opportunity to lock-in to historically low rates of debt, whilst providing long term flexibility. Councillor Smith welcomed Member's views on this strategy.

To exit the current HRA system Colchester will have to pay the Government £74.338m, to be financed by new Council borrowing. Councillor Smith agreed with Councillor Quince's analogy that it would be like paying a giant mortgage against the housing assets. And assuming the business plan is correct, aligning borrowing to the business plan, as illustrated in the debt profile within the report, is the lowest risk option as the borrowing will exactly match the requirements, and there will be complete certainty regarding the interest charges to the HRA. Councillor Smith did not envisage a time when all debt will have been paid off, that there will always be some level of debt against the housing assets, though this would be the ultimate aim.

Councillor Cory said he fully supported the Treasury Management Strategy that included proposals for new borrowing in respect of the HRA reform settlement, to be approved by Cabinet tomorrow evening. Councillor Manning also endorsed the strategy, believing it to be the best for Colchester's residents.

Councillor Smith said because the loan is not paid off immediately, future funds will enable the Council to manage the property base with investments in property stock, a long term win-win situation for the Council and tenants and an added bonus of the creation of local jobs in the building and associated industries.

*RESOLVED* that the Panel considered and endorsed the Treasury Management Strategy Statement.

#### **43. Work Programme**

*RESOLVED* that the Panel noted the current Work Programme.

# Certification of claims and returns - annual report

Colchester Borough Council

Audit 2010/11



# Contents

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Introduction.....	3
Summary of my 2010/11 certification work.....	4
Results of 2010/11 certification work.....	5
Control environment.....	5
Specific claims.....	5
Summary of progress on previous recommendations .....	11
Summary of recommendations .....	13
Summary of certification fees .....	14



# Introduction

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**Local authorities claim large sums of public money in grants and subsidies from central government and other grant-paying bodies and are required to complete returns providing financial information to government departments. My certification work provides assurance to grant-paying bodies that claims for grants and subsidies are made properly or that information in financial returns is reliable. This report summarises the outcomes of my certification work on your 2010/11 claims and returns.**

- 1 Under section 28 of the Audit Commission Act 1998, the Audit Commission may, at the request of authorities, make arrangements for certifying claims and returns because scheme terms and conditions include a certification requirement. Where such arrangements are made, certification instructions issued by the Audit Commission to its auditors set out the work auditors must do before they give their certificate. The work required varies according to the value of the claim or return and the requirements of the government department or grant-paying body, but in broad terms:
  - for claims and returns below £125,000 the Commission does not make certification arrangements and I was not required to undertake work;
  - for claims and returns between £125,000 and £500,000, I undertook limited tests to agree form entries to underlying records, but did not undertake any testing of eligibility of expenditure; and
  - for claims and returns over £500,000 I planned and performed my work in accordance with the certification instruction to assess the control environment for the preparation of the claim or return to decide whether or not to place reliance on it. Depending on the outcome of that assessment, I undertook testing as appropriate to agree form entries to underlying records and test the eligibility of expenditure or data.

Claims and returns may be amended where I agree with your officers that this is necessary. My certificate may also refer to a qualification letter where there is disagreement or uncertainty, or you have not complied with scheme terms and conditions.

# Summary of my 2010/11 certification work

## The Authority has performed well in preparing claims and returns

- Colchester Council receives £74.4 million in funding from various grant paying departments. The grant paying departments attach conditions to these grants and the Council must show that it has met these conditions. If the Council cannot evidence this, the funding can be at risk. It is therefore important that the Council manages certification work properly and can demonstrate to us, as auditors, that the relevant conditions have been met.
- In 2010/11, we certified seven claims and returns with a total value of £117.6 million. This figure includes the National Non Domestic Rate (NNDR) return, with a value of £52.7 million (the amount the Council pays over to the relevant government department). Of these seven claims, we carried out a limited review of three and a full review of four (paragraph 1 explains the difference in approach). We amended four claims and for two claims, we were unable to fully certify the claims and issued qualification letters to the respective grant-paying body. Table 1 sets out a summary of the claims and returns audited and Tables 2 and 3 set out a full summary of our findings on the individual claims.

Table 1: Summary of 2010/11 certification work

Number of claims and returns certified	
Total value of claims and returns certified	£117,573,583
Number of claims and returns amended due to errors	4
Number of claims and returns where we issued a qualification letter because there was disagreement or uncertainty over the content of the claim or return or scheme terms and conditions had not been complied with	2
Total cost of certification work	£50,230

# Results of 2010/11 certification work

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**This section summarises the results of my 2010/11 certification work and highlights the significant issues arising from that work.**

## **Control environment**

- 4 We assess the control environment for claims and returns over £500,000. Where we are able to place reliance on the control environment, we undertake only limited testing (Part A testing).
- 5 Overall the control environment for claims requiring certification at the Council is good, which has resulted in reduced testing. Officers are experienced in compiling the relevant claims and have the necessary capacity to answer audit queries.
- 6 All claims were supported by appropriate working papers.

## **Specific claims**

- 7 Outlined below are details of those claims where issues were raised during the audit, resulting in amendment to the claim and/or a qualification letter reported to the grant-paying body.

### **Pooling of housing capital receipts (CFB06)**

- 8 Our audit of the CFB06 claim is undertaken in line with the approach agreed with the Department for Communities and Local Government (DCLG). We were able to place reliance on the control environment for the CFB06 claim, and therefore limit our testing to the agreement of entries in the return to underlying records. The work undertaken to support certification of the claim is integrated with our audit opinion work.

9 One minor amendment was made to the CFB06 claim. A difference of £1,000 was noted between the balance on the claim form relating to cost of improvements (£111.85) and the supporting working paper (£1,111.85). The claim was amended to reflect the correct cost of £1,111.85. This resulted in a reduction of £750 in the payment to the pool.

## Recommendation

R1 Reduce instances of simple errors, such as differences between claim values and supporting documentation, by performing a thorough review of the claim and associated working papers prior to submission to audit.

### Housing finance base data return (HOU02)

10 Our audit of the HOU02 return is undertaken in line with the approach agreed with the DCLG. As part of the Localism Bill, the DCLG is planning to reform local authority housing finance by adopting a self-financing model from 1 April 2012. This will replace the Housing Revenue Account subsidy system in future years.

11 DCLG plans to use the HOU02 return in calculating the self-financing settlement determination for each authority. The return collects the information previously collected by the HRA subsidy base data return, as well as information related to HRA self-financing, which are covered by five new tests.

12 Given the new test requirements, and the amendments and qualifications raised in previous years for this return, we were unable to place full reliance on the control environment. We therefore performed additional tests to agree form entries to underlying records and to confirm the eligibility of data.

13 As a result of our audit, a number of amendments were made to the HOU02 return. These included:

- adjustments of £3,916,448 and £1,904,425 respectively to the new cells SF001p (the aggregate value of the remaining HRA share of premiums on loans redeemed between 1 April 1995 and 1 February 2011) and SF002p (the aggregate value of the remaining income from the HRA share of discounts received between 1 April 1995 and 1 February 2011). These errors resulted from misinterpretation of the certification instruction guidance; and
- an adjustment of £123 to cell F004cc (estimated amount of principal outstanding on 1 April 2012 on any loan made to enable the borrower to acquire a dwelling in the HRA) as the initial calculation methodology used was not in line with the certification instruction guidance;

14 There was also no full audit trail to support the analysis of usable floor areas for large and small terraced properties, as required by the certification instruction guidance. Our testing of 20 properties identified four where the evidence provided was not sufficient to confirm the analysis between large and small terraced properties as being correct. Procedures are in place to develop this audit trail, however this is still ongoing and sufficient evidence has not yet been collected. We reported this to the DCLG in a qualification letter. This issue was also raised in our qualification letters to the department in previous years and was included in our 2009/10 certification of claims and returns report.

15 In addition, we tested 15 properties to confirm their age bandings. For four properties classified as pre-1945, insufficient evidence had been retained to confirm these properties were in the correct age band. This is likely to be the case for most pre-1945 properties (due to their age and circumstances) and was therefore reported as a qualification issue. This was also raised in our 2009/10 certification of claims and returns report.

## Recommendation

R2 Ensure all grant claims/returns are produced in line with the certification instruction guidance notes.

### Housing and council tax benefit claim (BEN01)

16 Our audit of the BEN01 claim is undertaken in line with the approach agreed with the Department for Work and Pensions (DWP), which requires detailed testing of individual benefit cases. The work undertaken to support certification of the claim is integrated with our audit opinion work.

17 As a result of our audit, minor amendments were made to the BEN01 claim, which reduced the overall amount due to the Council by £4,345. This is a complex and high value claim and this low level of error therefore represents good performance. The amendments were mainly due to:

- an error where benefit was paid incorrectly for one week after the claimant moved out of bed and breakfast accommodation and the subsequent manual adjustment to correct this was performed incorrectly; and
- misclassifications of council tax benefit overpayments resulting from claimant death as eligible overpayments instead of technical overpayments per the guidance notes.

18 The Council reviewed 100 per cent of the affected cases in respect of the errors noted as part of our audit. The claim form was therefore able to be amended and no qualification was required.

## Recommendation

**R3** Take action to prevent the errors noted in the BEN01 audit from occurring in future.

### **Single programme East of England development grant: Firstsite (RG30)**

**19** Our audit of the RG30 claim is undertaken in line with the approach agreed with the East of England Development Agency (EEDA). This is a new, one-off claim for 2010/11. We were therefore unable to place full reliance on the control environment, and performed additional tests to agree form entries to underlying records and to confirm the eligibility of expenditure.

**20** As a result of our audit, minor amendments were made to the claim. The amendments included a full reworking of the disclosures held in table 2 of the claim in respect of:

- the breakdown of expenditure by type; and
- the breakdown of funding by contributor.

30

The initial claim did not provide an adequate analysis of expenditure or funding contributors.

**21** In addition, our audit testing identified two issues which resulted in raising a qualification letter to the grant-paying body. The qualification points raised included:

- insufficient evidence to prove that all contracts in the claim return were awarded in accordance with standing orders; and
- the lack of a separately maintained inventory of single programme funded assets with a value of £10,000 which were wholly or partly financed from grant.

**22** Our sample testing of expenditure did not however identify any items of ineligible spend. We did however note that one item of expenditure had been recorded incorrectly on the ledger (recorded as £1,106.60 instead of £6,609.60). This was an isolated error, and did not impact the amount due to the Council.

### **Overall summary**

**23** Tables 2 and 3 set out a full summary of our findings on the individual claims audited in 2010/11.



Table 2: Claims and returns above £500,000

Claim or return	Value of claim or return presented for certification (£'000)	Was reliance placed on the control environment?	Value of any amendments made (£)	Was a qualification letter issued?
Housing and council tax benefit scheme (BEN01)	60,265	Yes	4,345 The grant due to the Council decreased by £4,345.	No
Pooling of housing capital receipts (CFB06)	522	Yes	1,000 The payment to the pool decreased by £750.	No
HRA subsidy (HOU01)	-2,581	Yes	Nil	No
Housing finance base data return (HOU02)	N/A	Partially	Refer to paragraph 13 above for details.	Yes Refer to paragraph 14 and 15 for details.
National non-domestic rates return (NNDR)	52,689	Yes	Nil	No
Single programme: Firstsite (RG30)	6,245	No	Refer to paragraph 20 above for details.	Yes Refer to paragraph 21 for details.

**Table 3: Claims between £125,000 and £500,000**

Claim or return	Value of claim or return presented for certification (£'000)	Value of any amendments made	Qualification letter
Disabled facilities (HOU21)	434	Nil	No



# Summary of progress on previous recommendations

This section considers the progress made in implementing recommendations I have previously made arising from certification work.

24 There were three recommendations raised in 2009/10, all of which have been partially implemented in 2010/11. For some claims, similar errors have been identified in 2010/11 and recommendations are included in table 5 accordingly.

33

Table 4: Summary of progress made on recommendations arising from certification work undertaken in earlier years

Agreed action	Priority	Date for implementation	Responsible officer	Current status	Comments
Ensure adequate evidence is retained to confirm property ages.	Medium	2010/11	Head of Resource Management	Partially implemented. Error still noted in 2010/11	This relates to the underlying records we hold from when properties were originally built. This is either held on Academy or by CBH Property Services.

Agreed action	Priority	Date for implementation	Responsible officer	Current status	Comments
Provide a full audit trail to support useable floor areas of properties as required by the Department.	Medium	2010/11	Head of Resource Management	Partially implemented. Error still noted in 2010/11.	This is part of the ongoing work that the Council is undertaking in relation to Energy Performance Certificates. It will continue to be an issue until all 6,300 properties have one.
Ensure all terraced properties are correctly classified and put arrangements in place to ensure current errors are corrected.	Medium	2010/11	Head of Resource Management	Partially implemented. Error still noted in 2010/11.	This relates to the underlying records we hold from when properties were originally built. This is either held on Academy or by CBH Property Services.

# Summary of recommendations

This section highlights the recommendations arising from my certification work and the actions agreed for implementation.

Table 5: Summary of recommendations arising from 2010/11 certification work

Recommendation	Priority	Agreed action	Date for implementation	Responsible officer
R1 Reduce instances of simple errors, such differences between claim values and supporting documentation, by performing a thorough review of the claim and associated working papers prior to submission to audit.	Medium	Noted for future claims.	March 2012	Head of Resource Management
R2 Ensure all grant claims/returns are produced in line with the certification instruction guidance notes.	Medium	Noted. The Housing Finance base data return relies on data that is held on the Academy Housing system.	March 2012	Head of Resource Management
R3 Take action to prevent the errors noted in the BEN01 audit from occurring in future.	Low	We are targeting those areas that caused errors within the claim this year to make sure they are corrected pre audit. We are also looking at policies and procedures to prevent them reoccurring.	March 2012	Head of Resource Management

# Summary of certification fees

**This section summarises the fees arising from my 2010/11 certification work and highlights the reasons for any significant changes in the level of fees from 2009/10.**

**25** The total certification fees charged in 2010/11 have only increased by 2% compared to 2009/10, despite the audit of a new claim in respect of the single programme claim (RG30). If the estimated fee for the RG30 claim is excluded, our certification fees charged in 2010/11 would have decreased over those charged in 2009/10 by 3%.

**26** Refer to table 6 for an analysis of certification fees charged.

Table 6: **Summary of certification fees**

Claim or return	2010/11 fee	2009/10 fee	Reasons for changes in fee greater than +/- 10 per cent
Housing and council tax benefit scheme (BEN01)	£36,498	£40,055	Change in fee was within +/- 10% of the 2009/10 fee.
Pooling of housing capital receipts (CFB06)	£2,000	£967	Work undertaken identified errors which required amendment and therefore additional time charged in 2010/11 compared to 2009/10.
HRA subsidy (HOU01)	£1,236	£2,341	Efficiencies in the audit resulted in a reduction in the time taken to audit.
Housing finance base data return (HOU02)	£4,149	£4,008	Change in fee was within +/- 10% of the 2009/10 fee.
National non-domestic rates return (NNDR)	£3,179	£1,612	In 2009/10, an experienced principal auditor performed the audit of the NNDR return. In 2010/11 the audit skill mix reverted to standard levels.

Claim or return	2010/11 fee	2009/10 fee	Reasons for changes in fee greater than +/- 10 per cent
Single programme (RG30): Firstsite	£2,668 (Estimate)	-	2010/11 was the first year of the claim.
Disabled facilities (HOU21)	£500	£322	Time charged in respect of this claim is minimal. In 2010/11 the time charged increased over that charged in 2009/10 by 1 hour.
<b>Total</b>	<b>£50,230</b>	<b>£49,305</b>	

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The Statement of responsibilities of grant-paying bodies, authorities, the Audit Commission and appointed auditors in relation to claims and returns issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body.



28 February 2012

<b>Report of</b>	<b>Head of Resource Management</b>	<b>Author</b>	<b>Sean Plummer</b> ☎ 282347
<b>Title</b>	<b>Financial Monitoring Report – April to December 2012</b>		
<b>Wards affected</b>	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 2011/12**

## 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 2011/12.

## 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 2011, 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 overspend of £242k The Housing Revenue Account forecast outturn position is an overspend of £163k.
- 3.3 The General Fund position at Period 6 was showing a potential overspend of £262k, therefore an improved forecast is now expected.

## 4. General Fund – Position to 31 December 2011

### *Service Budgets*

- 4.1 Appendix A summarises the Council position by expenditure group and by Service Group. The net position shows a variance against profiled budget for General Fund Services (excluding benefits) of £918k (favourable). This comprises total expenditure being £1,002k lower than expected and less income than expected totalling £84k. 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. Benefits payments are not shown in Appendix A to avoid distorting the reported position for Service Groups. It is currently projected that this area will be on budget at year end, when the final subsidy claim is paid.

## 5. **Outturn Forecast / Risk Areas**

5.1 This is the second review this year of the 11/12 budget position and the current forecast outturn is net overspend of £242k. This takes account of the contingency allocated by Cabinet of £400k which was agreed given the budget risks for this year.

	£'000	
Service budgets	546	See paras. 5.2 – 5.7 and Appendix C
Technical Items	96	See paras. 5.8 – 5.9
Potential net overspend	642	
Contingency	(400)	As agreed by Cabinet.
<i>Potential call on balances</i>	242	

### *Service Budgets*

5.2 The following table sets out the forecast outturn for all service areas with outturn variances. This shows a net forecast overspend of £546k. As the table shows the key variances are in respect of forecast shortfalls in income

Service	Forecast outturn		
	Expenditure	Income	Net
	£'000	£'000	£'000
Corporate Management	65	43	108
CSC	(18)	20	2
Executive Management Team	(29)	0	(29)
Environmental & Protective Services	(83)	105	22
Life Opportunities	(184)	(180)	(364)
Resource Management (incl. CDC)	75	(87)	(12)
SP&R	(23)	(10)	(33)
Street Services	(11)	708	697
Corporate budgets items	155		155
<b>Total all services</b>	<b>(53)</b>	<b>599</b>	<b>546</b>

5.3 Appendix C sets out details of all forecast variances against service budgets at the year-end totalling £546k.

5.4 When FASP scrutinised the 11/12 budget it was agreed that the Panel would receive a quarterly report showing progress against the various budget savings or increased income included in the budget. The 11/12 budget included £3.6m of savings or additional income. Senior Management Team continues to review all savings to assess which have been implemented and progress towards delivery.

5.5 When the Panel reviewed the list of savings it was agreed that details of previously reported delivered savings would not be shown again. For those items that have not yet been fully delivered an assessment has previously been made of the risks to delivery,



using a simple red / amber / green classification. However, given that the end of the financial year is under two months away it is now considered more appropriate to assess the extent to which savings have been achieved.

5.6 Appendix D sets out all savings that have now moved to the delivered category and Appendix E sets out the remaining savings showing whether these have been partly or achieved or not. The table below summarises the updated position showing that now over £3.13m (88%) of savings have been delivered.

	Quarter 1 Review		Quarter 2 Review		Quarter 3 Review		%
	£'000	%	£'000	%	£'000	%	
Complete	1,781,650	50	2,619,150	73	3,024,900	85	88
In progress*	1,754,250	49	916,750	26			
Partly delivered					96,000	3	
Not delivered (part)					202,000	5	12
Not delivered (full)	30,000	1	30,000	1	243,000	7	
<b>Total</b>	<b>3,565,900</b>	<b>100</b>	<b>3,565,900</b>	<b>100</b>			

\* items in progress were risk assessed as follows

Green	463,500	13	286,000	8
Amber	947,750	26	275,750	8
Red	343,000	10	355,000	10
Sub total	1,754,250	49	916,750	26

5.7. There are a number of points that should be made when considering the savings position:-

- (i) Although £0.4m of the savings are reported as being “not delivered” in a number of instances services have identified other in year actions to minimise or even negate the impact of this on the outturn.
- (ii) The impact on the 12/13 budget of non delivered savings has been considered as part of the 12/13 budget proposals
- (iii) The level of savings not delivered is £0.4m which is in line with the contingency allocated

*Corporate / Technical Items – Interest earnings*

5.8. The budget includes a number of corporate and technical budget areas including the net interest budget. It has been reported to the Panel that net interest earnings are forecast to fall below budget given that interest rates remain at historically low levels. As such, the forecast outturn for the year remains based on a £300k shortfall.

5.9. As has been reported previously there are a number of savings that have been identified to offset this as shown in the following table:-

Item	Saving £'000	Comment
Net interest earnings	300	See para. 5.10
Single Regeneration Budget	(52)	Relates to provision to repay a grant that is no longer required
Pensions cost	(39)	Revised assessment of carried forward budget
Food Waste trial	(45)	Trial now estimated to be delivered within a reduced budget.
Electricity Wayleaves	(70)	
	96	

*Summary position*

5.10. The forecast outturn shows a potential net overspend of £242k. This primarily reflects forecast shortfalls in various income budgets with the most significant being car parks

and net interest earnings. It should be noted that adjustments in respect of both these items has been made in the 2012/13 budget proposals.

- 5.11. A review of the balances position has been reported to Cabinet as part of the 2012/13 budget. This included the assumption that there was a potential general fund outturn position of under £200k. Whilst the current forecast shown in this report is slightly higher than this it is considered that the final outturn figure will be within the range used for budget purposes. The final outturn will be reported to this Panel at the end of June.

## **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 D shows that at the end of December 2011, the HRA is underspent by £712k compared to the budget for the same period. This is primarily due to lower expenditure on Premises costs (£543k), Supplies & Services costs (£143k) and Support Service costs (£65k). Furthermore, we have received £70k less income than anticipated. The current projected outturn for the HRA is that it will be over budget by £163k. This comprises a £96k under-recovery of income, and an estimated £67k of costs in 2011/12 associated with various projects. The main factors contributing to the variance to date are detailed in the following paragraphs.
- 6.2 There is a general underspend across most Supplies and Services budgets, but most significantly on Legal & Consultancy costs (£35k) and IT costs (£34k).
- 6.3 Premises related costs are showing an underspend of £543k as at the end of December 2011. Overall, there is a net underspend of £380k on Repairs and Maintenance. The repairs budget reflects the re-profiling provided by CBH. The largest cause of this position is we have charged £305k of the external overview contract to the housing capital programme, whilst the original budget allocation was held within the revenue account. The remainder of the underspend on R&M to date relates to the timing of expenditure on the external decorating programme and the gas servicing contract, along with repairs and maintenance of pumping stations, Homeless Persons Units and other delegated areas. There are underspends of £85k on Grounds Maintenance budgets which relate to the timing of expenditure. There is an underspend of £76k on Utility and Water costs.
- 6.4 Support service costs are underspent by £65k 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 2011, there is a resultant impact upon the HRA for recharges from these services.
- 6.5 There is a £70k under-recovery of income at the end of December 2011. This has primarily arisen as a result of less income from supporting people charges, which reflects the Portfolio Holders agreement to partially negate charges whilst the implementation of the new sheltered housing service is undertaken, following the reduction in funding from Essex County Council. It is currently predicted that there will be an under-recovery of income of £96k at the year-end, reflecting the full effect of the supporting people charges negation as well as an anticipation of less tenant's service charge and garage rental income than assumed within the budget. However, the overall under-recovery of income for the year will be influenced mainly by the level of void properties and garages for the remainder of the financial year
- 6.6 Any expenditure on the Housing Capital Programme (HIP) that exceeds the total resources available from the Major Repairs Allowance (MRA) for the year has to be met from the HRA in the form of a revenue contribution to capital (RCCO). As the actual financing requirement of the outturn capital programme is not known until the end of year position is established, it can have an impact on the HRA outturn that is difficult to forecast at this stage of the year. However, it is currently anticipated that the £305k of

external overview costs mentioned in paragraph 6.3 above will be funded by an additional RCCO (revenue contribution to capital), resulting in an overall neutral effect on the revenue outturn position for these costs.

- 6.7 It should be noted that the uncommitted HRA balance is currently above the minimum recommended prudent level. This therefore could be used to meet the forecast outturn overspend on the HRA should it materialise.

## **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 2011/12 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 2011/12 revenue budget report that was approved by Council in February 2011 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

<i>Budget Monitoring Summary - Period 9</i> 2011/12		Full Year Position					
		Annual Budget £'000	Projected Outturn £'000	Variance (fav) / adv £'000			
<b>Account Description</b>	<b>Budget to Period 9 £'000</b>	<b>Actual to Period 9 £'000</b>	<b>Variance (fav) / adv £'000</b>				
<b>By Subjective Group</b>							
Employees	18,758	18,459	(299)	amber	24,963	24,782	(181)
Premises Related	6,038	5,457	(581)	red	7,453	7,348	(105)
Transport Related	1,273	1,361	88	red	1,621	1,651	30
Supplies & Services	7,675	7,354	(321)	amber	9,856	9,821	(35)
Third Party Payments	891	974	83	red	1,165	1,195	30
Transfer Payments	219	247	28	amber	260	314	54
Capital Financing Costs	-	-	-	green	100	100	-
<b>Subtotal Expenditure</b>	<b>34,854</b>	<b>33,852</b>	<b>(1,002)</b>	amber	<b>45,418</b>	<b>45,211</b>	<b>(207)</b>
Government Grant	(761)	(744)	17	green	(1,260)	(1,260)	-
Other Grants & Reimbursements	(2,184)	(2,246)	(62)	amber	(3,066)	(3,113)	(47)
Customer & Client Receipts	(14,688)	(14,559)	129	amber	(19,263)	(18,647)	616
Income-Interest	(1)	(1)	-	green	(2)	(2)	-
Inter Account Transfers	-	-	-	green	-	30	30
<b>Subtotal Income</b>	<b>(17,634)</b>	<b>(17,550)</b>	<b>84</b>	amber	<b>(23,591)</b>	<b>(22,992)</b>	<b>600</b>
<b>Total General Fund Services</b>	<b>17,220</b>	<b>16,302</b>	<b>(918)</b>	red	<b>21,827</b>	<b>22,219</b>	<b>392</b>
<b>By Service Group</b>							
Corporate & Democratic Core	208	194	(14)	amber	341	326	(15)
Executive Management Team	558	508	(50)	red	891	862	(29)
Corporate Management	5,053	4,955	(98)	amber	6,435	6,543	108
Customer Service Centre	771	815	44	amber	1,051	1,054	3
Environmental & Protective Services	2,070	1,732	(338)	red	2,368	2,390	22
Life Opportunities	4,099	3,347	(752)	red	5,273	4,909	(364)
Resource Management	398	355	(43)	amber	1,044	1,047	3
Strategic Policy & Regeneration	2,270	2,262	(8)	green	2,683	2,650	(33)
Street Services	1,793	2,134	341	red	1,741	2,438	697
<b>Subtotal General Fund Services</b>	<b>17,220</b>	<b>16,302</b>	<b>(918)</b>	red	<b>21,827</b>	<b>22,219</b>	<b>392</b>

## Budget Monitoring Report for All Services - Period 9 2011/12

Account Description	Corp & Demographic Core	EMT	Corporate Mgt	CSC	Env. & Protective	Life Opps	Resource Mgt.	Strategic Policy and Regen	Street	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>EXPENDITURE</b>																	
<b>EMPLOYEES</b>																	
Profiled Budget to Date	-	585	2,030	831	4,140	3,926	2,150	1,143	3,953	18,758							
Actual to Date	-	586	2,029	817	4,084	3,768	2,152	1,113	3,910	18,459							
Variance to Date	green	1	(1)	(14)	(56)	(158)	2	(30)	(43)	(299)	amber						
Annual Budget	-	780	2,681	1,113	5,522	5,251	2,858	1,522	5,236	24,963							
Projected Outturn	-	780	2,707	1,098	5,460	5,161	2,858	1,501	5,217	24,782							
Variance	-	-	26	(15)	(62)	(91)	-	(21)	(19)	(181)	red						
<b>PREMISES</b>																	
Profiled Budget to Date	-	1	1,207	-	566	2,926	214	69	1,055	6,038							
Actual to Date	-	1	1,186	-	484	2,473	269	72	972	5,457							
Variance to Date	green	-	(21)	-	(82)	(453)	55	3	(83)	(581)	red						
Annual Budget	-	1	1,364	-	727	3,837	245	77	1,202	7,453							
Projected Outturn	-	1	1,389	-	710	3,667	320	76	1,185	7,348							
Variance	-	-	25	-	(17)	(170)	75	(1)	(17)	(105)	red						
<b>TRANSPORT</b>																	
Profiled Budget to Date	-	5	38	-	54	17	8	9	1,142	1,273							
Actual to Date	-	5	27	-	42	15	6	9	1,257	1,361							
Variance to Date	green	-	(11)	-	(12)	(2)	(2)	-	115	88	red						
Annual Budget	-	7	51	-	72	22	11	10	1,448	1,621							
Projected Outturn	-	7	55	-	72	31	11	10	1,466	1,651							
Variance	-	-	4	-	-	9	-	-	18	30	red						
<b>SUPPLIES &amp; SERVICES</b>																	
Profiled Budget to Date	208	104	2,441	51	696	1,197	976	1,310	692	7,675							
Actual to Date	194	57	2,322	49	619	1,125	986	1,375	627	7,354							
Variance to Date	amber	(14)	(47)	(2)	(77)	(72)	10	65	(65)	(321)	amber						
Annual Budget	341	253	3,228	66	912	1,472	1,251	1,393	940	9,856							
Projected Outturn	326	224	3,238	64	909	1,484	1,266	1,393	918	9,821							
Variance	(15)	(29)	10	(3)	(4)	12	15	-	(22)	(35)	red						

Budget Monitoring Report for All Services - Period 9 2011/12

Account Description	Corp & Democratic Core	EMT	Corporate Mgt	CSC	Env. & Protective	Life Opps	Resource Mgt.	Strategic Policy and Regen	Street	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>THIRD PARTY</b>										
Profiled Budget to Date	-	-	65	-	40	212	81	131	362	891
Actual to Date	-	-	38	-	30	254	81	126	445	974
Variance to Date	-	-	(27)	-	(10)	42	-	(5)	83	83
Annual Budget	green	green	amber	green	amber	amber	green	green	red	red
Projected Outturn	-	-	86	-	52	249	81	171	526	1,165
Variance	-	-	86	-	52	251	81	170	555	1,195
	-	-	-	-	-	2	-	(1)	29	30
<b>TRANSFER PAYMENTS</b>										
Profiled Budget to Date	-	-	-	-	-	75	144	-	-	219
Actual to Date	-	-	-	-	-	95	152	-	-	247
Variance to Date	-	-	-	-	-	20	8	-	-	28
Annual Budget	green	green	green	green	green	amber	amber	green	green	amber
Projected Outturn	-	-	-	-	-	100	160	-	-	260
Variance	-	-	-	-	-	154	160	-	-	314
	-	-	-	-	-	54	-	-	-	54
<b>CAPITAL FINANCING</b>										
Profiled Budget to Date	-	-	-	-	-	-	-	-	-	-
Actual to Date	-	-	-	-	-	-	-	-	-	-
Variance to Date	-	-	-	-	-	-	-	-	-	-
Annual Budget	green	green	green	green	green	green	green	green	green	green
Projected Outturn	-	-	-	-	-	-	100	-	-	100
Variance	-	-	-	-	-	-	100	-	-	100
	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE</b>										
Profiled Budget to Date	208	695	5,781	882	5,496	8,353	3,573	2,662	7,204	34,854
Actual to Date	194	649	5,602	866	5,259	7,730	3,646	2,695	7,211	33,852
Variance to Date	(14)	(46)	(179)	(16)	(237)	(623)	73	33	7	(1,002)
Annual Budget	amber	amber	amber	green	amber	red	amber	green	green	amber
Projected Outturn	341	1,041	7,410	1,179	7,285	10,931	4,706	3,173	9,352	45,418
Variance	326	1,012	7,475	1,162	7,203	10,747	4,796	3,150	9,341	45,211
	(15)	(29)	65	(18)	(83)	(184)	90	(23)	(11)	(207)

## Budget Monitoring Report for All Services - Period 9 2011/12

Account Description	Corp & Democratic Core	EMT	Corporate Mgt	CSC	Env. & Protective	Life Opps	Resource Mgt.	Strategic Policy and Regen	Street	£'000	£'000	£'000	£'000	£'000	£'000
<b>INCOME</b>															
<b>GOVERNMENT GRANT</b>															
Profiled Budget to Date	-	-	-	-	(403)	(39)	(183)	(136)	-	-	(761)				
Actual to Date	-	-	-	-	(379)	(39)	(181)	(145)	-	-	(744)				
Variance to Date	-	-	-	-	24	-	2	(9)	-	-	17				
Annual Budget	green	green	green	green	amber	green	green	amber	green	green	green				
Projected Outturn	-	-	-	-	(827)	(53)	(244)	(136)	-	-	(1,260)				
Variance	-	-	-	-	(827)	(53)	(244)	(136)	-	-	(1,260)				
<b>OTHER GRANTS</b>															
Profiled Budget to Date	-	(137)	(20)	(94)	(696)	(228)	(29)	(90)	(890)	(2,184)					
Actual to Date	-	(136)	(15)	(34)	(707)	(287)	(45)	(107)	(915)	(2,246)					
Variance to Date	-	1	5	60	(11)	(59)	(16)	(17)	(25)	(62)					
Annual Budget	green	green	amber	red	green	red	amber	amber	green	amber					
Projected Outturn	-	(150)	(24)	(105)	(947)	(392)	(27)	(99)	(1,322)	(3,066)					
Variance	-	(150)	(33)	(85)	(914)	(465)	(52)	(109)	(1,304)	(3,113)					
<b>CUST &amp; CLIENT RECPTS</b>															
Profiled Budget to Date	-	-	(708)	(17)	(2,327)	(3,987)	(2,963)	(165)	(4,521)	(14,688)					
Actual to Date	-	(5)	(632)	(17)	(2,441)	(4,057)	(3,065)	(180)	(4,162)	(14,559)					
Variance to Date	-	(5)	76	-	(114)	(70)	(102)	(15)	359	129					
Annual Budget	green	amber	red	green	amber	amber	amber	amber	red	amber					
Projected Outturn	-	-	(951)	(23)	(3,143)	(5,213)	(3,391)	(253)	(6,289)	(19,263)					
Variance	-	-	(899)	(23)	(3,101)	(5,319)	(3,453)	(253)	(5,599)	(18,647)					
<b>INCOME-INTEREST</b>															
Profiled Budget to Date	-	-	-	-	-	-	-	-	-	-	(1)				
Actual to Date	-	-	-	-	-	-	-	-	-	-	(1)				
Variance to Date	-	-	-	-	-	-	-	-	-	-	-				
Annual Budget	green	green	green	green	green	green	green	green	green	green	green				
Projected Outturn	-	-	-	-	-	-	-	(2)	-	-	(2)				
Variance	-	-	-	-	-	-	-	(2)	-	-	(2)				

*Budget Monitoring Report for All Services - Period 9 2011/12*

Account Description	Corp & Democratic Core	EMT	Corporate Mgt	CSC	Env. & Protective	Life Opps	Resource Mgt.	Strategic Policy and Regen	Street	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>INTER ACCOUNT TRANS</b>										
Profiled Budget to Date	-	-	-	-	-	-	-	-	-	-
Actual to Date	-	-	-	-	-	-	-	-	-	-
Variance to Date	-	-	-	-	-	-	-	-	-	-
Annual Budget	green	green	green	green	green	green	green	green	green	green
Projected Outturn	-	-	-	-	30	-	-	-	-	30
Variance	-	-	-	-	30	-	-	-	-	30
<b>TOTAL INCOME</b>										
Profiled Budget to Date	-	(137)	(728)	(111)	(3,426)	(4,254)	(3,175)	(392)	(5,411)	(17,634)
Actual to Date	-	(141)	(647)	(51)	(3,527)	(4,383)	(3,291)	(433)	(5,077)	(17,550)
Variance to Date	green	green	red	red	amber	amber	amber	amber	red	amber
Annual Budget	-	(150)	(975)	(128)	(4,917)	(5,658)	(3,662)	(490)	(7,611)	(23,591)
Projected Outturn	-	(150)	(932)	(108)	(4,812)	(5,837)	(3,749)	(500)	(6,903)	(22,992)
Variance	-	-	43	20	105	(179)	(87)	(10)	708	600
<b>TOTAL NET</b>										
Profiled Budget to Date	208	558	5,053	771	2,070	4,099	398	2,270	1,793	17,220
Actual to Date	194	508	4,955	815	1,732	3,347	355	2,262	2,134	16,302
Variance to Date	amber	red	amber	amber	red	red	amber	green	red	red
Annual Budget	341	891	6,435	1,051	2,368	5,273	1,044	2,683	1,741	21,827
Projected Outturn	326	862	6,543	1,054	2,390	4,909	1,047	2,650	2,438	22,219
Variance	(15)	(29)	108	3	22	(363)	3	(33)	697	392



## Forecast Outturn Variances

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
<b>Life Opportunities</b>				
Sport and leisure	(96)	(73)	(169)	Gains in some areas of income, including Lifestyle memberships, Aerobics and Pools have been forecast to continue and will help to offset other income shortfalls. Further reductions have been made in costs of the sport and leisure service including employees and some repairs & maintenance costs.
Housing and Communities	(88)	(30)	(118)	Underspends on salary costs of £24k reflect vacancies currently held across the service; £26k less repairs and maintenance expenditure at the Temporary Accommodation Units, £34k less expenditure on B&B/Homelessness Initiatives. £44k more income from B&B/Homelessness Initiatives due to improved housing benefit recovery rates, £10k more income from lower voids at the Temporary Accommodation Units although £10k less income from Activity Centres.
Parks and Recreation		(77)	(77)	A one-off £20k gain on the King George V pavilion rent and £15k for both increased event income and the NHS North East Essex car park income. A one-off £42k gain from a 10/11 s.106 funded playground scheme has increased the forecast.
<b>Resource Management (incl. CDC)</b>				
Insurance	25		25	The recent insurance tender exercise has resulted in an increase in premiums. The new prices apply from August and therefore there is a part year impact in 2011/12. The pressure reflects the increased charge to HRA.
PSU and Income Mgt	(10)	(25)	(35)	Savings on printing and software and a one off income gain in respect of administration of concessionary fares scheme.
CDC - Audit Fees	(15)		(15)	The Audit Commission has written to confirm a rebate of 8% on the audit fee for 11/12. The impact of this and forecast cost for the year results in an expected saving of £15k.
Financial Mgt		(15)	(15)	Extra Procurement Hub income forecast for 11/12

Service Area	Variance		Comment
	75	(47)	
Estates			Anticipated saving on NNDR costs of Roman House and St James House will not be achieved in 11/12 Additional cost of sewage treatment works at Cuckoo Farm. Part year income secured in respect of leasing of office space in Rowan House, Old Police station plus a one-off rent review gain on 2/3 Trinity Street improved the forecast. This has been slightly offset by a bad debt write off and a forecast shortfall in income in respect of some other properties.
<b>Executive Management Team</b>			
Partner projects	(13)		(13)
2020	(16)		(16)
<b>Street Services</b>			
Car Parking		489	489
Community Alarms	52	100	152
Zones		45	45
Trade Waste	(46)	70	24
Recycling & Fleet - Derv	31		31
Market		30	30
Workshop		20	20
Domestic Refuse		(36)	(36)
Voids		(35)	(35)
Various items across group	(48)	25	(23)

Service Area	Variance		Comment	
<b>Corporate Management</b>				
Employee costs etc. across group	38	(5)	33	Main pressure area currently is ICT, however, this is hoped to be covered by underspends across the whole service.
Land Charges Income		45	45	Income shortfall forecast.
Facilities Mgt	32	5	37	Forecast additional costs in Rowan House service charge and energy costs at Angel Court.
Democratic Services	(5)	(2)	(7)	Some general underspends on stationery and printing, coupled with some extra civic event income.
<b>CSC</b>	(18)	20	2	Mostly saving on salary costs. There is a £20k reduction this financial year in respect of income from the NHS.
<b>Env &amp; Protective Servs</b>				
Building Control	(38)	63	25	Shortfall in income from work from another local authority no longer going ahead.
Protective Servs	(28)	28	-	Forecast under-spend on Cemetery & Crematorium utilities costs of £17k, and vacant post saving of £11k in Licensing. Forecast under-recovery of Cremation income of £28k
Env. Control (Hsg & enforcement)	(17)	14	(3)	Vacant Post saving of £13k. Forecast £13.6k under-recovery of Housing Inspection Notice income, offset by £4k general savings
<b>SP&amp;R</b>				
Head of SP&R	9	-	9	Primarily reflects vacancy factor target being held at Head of Service level for the group.
Strategic Housing	(18)	(4)	(22)	Reflects salary savings from some staff not working full time, savings on training costs and £4k of costs recoverable from Greater Haven Gateway.
Spatial Policy	(14)	(3)	(17)	Primarily reflects savings on employee and printing costs, and additional income from Developers.
Renaissance	(13)	-	(13)	Savings on employee costs from maternity leave/vacant post, and salary costs reclaimable from European & Haven Gateway projects.
Enterprise	14	-	14	Small overspends on salaries and direct costs, along with the cost relating to the Digital Strategy.
Cultural Services	(1)	(3)	(4)	Savings on Repairs & Maintenance and £3k of income from an insurance claim reimbursement.
<b>Corporate Budget Items</b>				
Shared management	125		125	Savings identified through interim arrangements for shared Head of Resource Management, remaining target not expected to be delivered.
Support costs to FSR	30		30	Will not be delivered.
<b>Total</b>	<b>(53)</b>	<b>599</b>	<b>546</b>	



## Delivered Savings

Owner*	Saving Options	2011/12 £	Comments e.g. impact on service / risk to delivery/ description of delivery	Actions/further comments
Previously reported	delivered	2,619,150		
LO	Reductions in Sport and Leisure repairs and maintenance budgets	80,000	£60k of savings are one-off only. Operation of facilities and generation of income depends on ability to respond to need for unforeseen repairs	£92k under budget at end of December and target.
RM	Reduce Accountancy staff by one post	25,000	Review commenced of finance tasks to see how to deliver this.	Outcome of review has been implemented Saving remains on track to be delivered.
RM	Asset Management Plan - action plan for delivery of Estates activities.	50,000	Additional rental income / reduced costs from more efficient use of properties. Delivery depends partly on market conditions.	Target was partly based on income from Gosbecks Road which is agreed. However, other rental income will remain a risk.
EMT	Income target - Customer excellence	10,000	Development of training package to sell externally	Projects delivered for other authorities and income target met.
E&PS	Income target - Professional Services	60,000	Income from providing professional support on a consultancy basis to other Local Authorities (Urban Design, Landscape Design, Arboricultural Services)	Income from professional consultancy has not reached the target figure set, but has already been offset by increased income from Application fees.
Tech items-Corp reviews	Colchester Borough Homes FSR	50,000	General Fund	Saving expected to be delivered as part of corporate recharges.
E&PS	Increase income by targeting enforcement activity to identify offences relating to fee-paying activities	10,000	Targeted enforcement	This additional income is included in the forecast outturn for the service which is expected to be on target, however it has not been achieved by enforcement activity.
LO	Development of Aqua Springs offers and facilities to	68,000	Income is dependent on customer demand and investment from repairs	Income over budget by £16.8k at end of December. The trend continues to be

Owner*	Saving Options	2011/12 £	Comments e.g. impact on service / risk to delivery/ description of delivery	Actions/further comments
	generate additional customer income		and renewals budget	positive, and the position is being monitored closely.
CM	ICT costs	52,750	Saving through use of I-Connect service and other on going ICT initiatives	Budget forecast reviewed no adverse variance forecast
	Total	3,024,900		

**Savings in Progress**

Status	Owner*	Saving Options	2011/12 £	Comments e.g. impact on service / risk to delivery/ description of delivery	Actions/further comments
Partly delivered (£25k)	Tech items-Corp reviews	Shared Management	150,000	Consideration of options to share services and/or management.	Some saving from Head of Resource Mgt to be forecast and set against this target. Forecast outturn includes a shortfall in respect of this target.
Part-Delivered (£20k)	EMT	Income target - Flexible Working, FSR's and learning & development	32,000	Income opportunities across a range of areas of expertise	Flexible Working £5k – medium risk FSRs £20k – low risk Learning and development £7k – medium to high risk
Part-Delivered (£17k)	E&PS	Tymerleys	23,000	Current negotiations taking place with local Heritage Groups.	Due to delays some property costs (NNDR, Electricity) have been incurred meaning that the saving will not be fully delivered in 11/12.
Partly delivered (£19k)	Tech items-Corp reviews	ICT Review	50,000	Review of ICT resources across the Council	£19k agreed to date with review ongoing to identify / confirm balance.
Partly delivered (est £15k)	CM	Carbon Management Programme	43,000	Reduced energy costs from LACM (local authority carbon management programme) projects	Savings will be from the following schemes Rowan House lighting £7k now completed, Rowan House filming of windows £3k now completed, MSCP lighting £18k not completed (out to tender shortly) and BEMS £15k tenders returned and work starts in March 2012. These are not all on site yet, and therefore it is likely that this years saving will not be fully met.
Not delivered	LO	Increase in Leisure World Colchester car park income through targeted offers	20,000	Income is dependent on customer demand and marketing support	Income under budget by £23k at end of December. New offers implemented and position is being closely monitored, but unlikely to be fully achieved by year end
Not delivered	LO	Increased income through rental of meeting rooms to	5,000	Income is dependent on customer demand	Under budget at end December and it is now clear that this target will be unlikely to be

Status	Owner*	Saving Options	2011/12 £	Comments e.g. impact on service / risk to delivery/ description of delivery	Actions/further comments
		external customers at Leisure World			delivered. Other areas of improved income within the sports & leisure service have helped to contain this pressure
Not delivered	EMT	Support costs to FSR	30,000	Reduction in support costs to Fundamental Service Reviews	Will not be achieved through salaries as previously indicated. However, other savings have been identified in EMT to mitigate some of the shortfall.
Not Delivered	RM	Reduced NNDR when sale of Roman House & St James House goes through	70,000	Delivery depends on completion of the sale of these two properties.	Due to delays this saving will not be delivered within this financial year. Work continues to identify any income gains from the other properties that may help to partially offset this pressure. .
Not Delivered	LO	Provision of new beach huts locations at West Mersea	3,000	Income from ground rent on new locations - dependent on customer demand	This has not been achieved to the withdrawal of the Planning Application . The extra £3k target has been covered by extra income from other areas including general beach hut rentals.
Not delivered	LO	Changes to Highwoods Sports Centre staffing arrangements	30,000	Minimal impact on customers and potential staff redundancy	Management decision to delay staff changes due to Fundamental Service Review process. Budget pressure has been contained by other savings within service budget.
Not Delivered	SS	Increase in parking offer charge from 1.11.10 increasing the offer rate to £2.50 from £2.00	85,000	This forms part of the new charging structure for car parks which is designed to increase income whilst encouraging more usage of the Council's car parks by introducing tariff changes requested by traders.	Car Parking income is under-recovered at the end of Period 9 by £278k (being 101% of 2010/11 income for the same period). The forecast outturn includes an assumption in respect of a shortfall in car park income. Further actions are being undertaken by the service in conjunction with other Council services and partner organisations to increase usage, particularly in those car parks that are under predicted capacity levels. However, the success of the St. John's offer has increased usage and



Status	Owner*	Saving Options	2011/12 £	Comments e.g. impact on service / risk to delivery/ description of delivery	Actions/further comments
					income for this car park reducing its shortfall substantially. The evening and Sunday charge changes are also raising extra income for the service in the town centre surface car parks.

	2011/12
Partly delivered :-	
Forecast achieved	96,000
Forecast not achieved	202,000
Not delivered	243,000
	<b>541,000</b>

- \* CM – Corporate Mgt.
- \* E&PS – Env. & Protective Services
- \* EMT – Executive Mgt Team
- \* LO – Life Opportunities
- \* RM – Resource Mgt
- \* SS – Street Services
- \* SP&R – Strategic Policy & Regeneration

## Housing Revenue Account – Period 9

December 2011	Current Period - December 2011			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
<b>Account Description</b>						
<b>HRA - Direct &amp; Non-Direct</b>						
<b>EXPENDITURE</b>						
Employees	187	183	(4)	350	350	- Green
Premises Related	4,626	4,083	(543)	6,552	6,252	(300) Amber
Transport Related	2	1	(1)	2	2	- Green
Supplies & Services	417	274	(143)	674	674	- Green
Third Party Payments	7,004	6,981	(23)	8,261	8,221	(40) Green
Transfer Payments	34	31	(3)	46	113	67 Red
Support Services	2,299	2,234	(65)	3,001	3,001	- Green
Capital Financing Costs	-	-	-	11,093	11,433	340 Amber
<b>TOTAL EXPENDITURE</b>	<b>14,569</b>	<b>13,787</b>	<b>(782)</b>	<b>29,979</b>	<b>30,046</b>	<b>67 Amber</b>
<b>INCOME</b>						
Other Grants & Reimbursements	(91)	(91)	-	(134)	(134)	- Green
Customer & Client Receipts	(19,738)	(19,670)	68	(25,903)	(25,807)	96 Amber
Income-Interest	(4)	(2)	2	(25)	(25)	- Green
Inter Account Transfers	-	-	-	(3,614)	(3,614)	- Green
<b>TOTAL INCOME</b>	<b>(19,833)</b>	<b>(19,763)</b>	<b>70</b>	<b>(29,676)</b>	<b>(29,580)</b>	<b>96 Amber</b>
<b>TOTAL NET - HRA</b>	<b>(5,264)</b>	<b>(5,976)</b>	<b>(712)</b>	<b>303</b>	<b>466</b>	<b>163 Red</b>



# Finance and Audit Scrutiny Panel

Item  
**12**

28 February 2012

<b>Report of</b>	<b>Head of Resource Management</b>	<b>Author</b>	<b>Graham Coleman</b> <b>☎ 282741</b>
<b>Title</b>	<b>Capital Expenditure Monitor 2011/12</b>		
<b>Wards affected</b>	Not applicable		

**The Panel is invited to review the progress against all capital schemes in the first nine months of 2011/12**

## 1. Action Required

1.1 To note the level of capital spending during 2011/12 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 2011/12 (April to December) 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 13 July 2011 and 7 September 2011, and by Council on 20 July 2011.

3.3 The report includes capital expenditure in respect of the Housing Investment Programme, including expenditure on the Council's housing stock.

## 4. 2011/12 review

4.1 In the first nine months of this year capital spending totalled £9.1 million. This represents 37.7% of the total programme, and 58.1% of the projected spend for 2011/12. New funding has been added to the capital programme including £51.7k from additional Government grant for Mandatory Disabled Facilities Grants and £105k in external funding in respect of the Transcoast project. Also included are further contributions from other external parties and Section 106 monies. It should be noted that the programme includes a number of major schemes where spending is planned across more than one year. Budget managers have re-profiled their forecasts for expenditure in line with expectations for 2011/12 and beyond.

4.2 Forecast spending for 2011/12 is £15.6 million, with the remainder of the programme planned for 2012/13 and 2013/14 and beyond. The table below shows this by service area:

Summary	Current Total Programme	2011/12 Expenditure for year	Expected Expenditure 2011/12	Expected Expenditure 2012/13 & 2013/14 & beyond
	£'000	£'000	£'000	£'000
Corporate Management	795.7	122.5	251.8	543.9
EMT	79.2	20.9	79.2	0.0
Resource Management	59.6	21.4	43.2	41.4
Street Services	182.2	0.0	74.9	107.3
Environmental & Protective Services	4,785.4	156.6	316.4	4,469.0
Strategic Policy & Regeneration	7,613.5	4,350.9	6,718.4	1,100.1
Life Opportunities	2,768.4	1,023.7	1,447.1	1,321.3
Completed Schemes – current	175.8	152.0	182.7	0.0
Completed Schemes – not reported	37.1	36.2	36.2	0.0
Finance Leases	81.4	81.4	81.4	0.0
<b>Total – General Fund Services</b>	<b>16,578.3</b>	<b>5,965.6</b>	<b>9,231.3</b>	<b>7,583.0</b>
Housing Revenue Account	7,486.3	3,102.4	6,364.1	1,122.2
<b>Total Capital Programme</b>	<b>24,064.6</b>	<b>9,068.0</b>	<b>15,595.4</b>	<b>8,705.2</b>

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 16 February 2011, and revised by Cabinet on 13 July 2011 and 7 September 2011, and by Council on 20 July 2011.

4.4 The table below summarises projected variances against current schemes. The A12 Junction scheme will require further funding of around £205k, Site Disposals Costs require further funding of at least £25k and there are minor variations on completed schemes.

Scheme	Over/ (Under)
	£'000
A12 Junction	205.0
Site Disposal Costs	25.0
Other minor variations	6.0
<b>Total Net Overspend</b>	<b>236.0</b>

4.5 This sum will be referred to Cabinet in March. Cabinet will also consider an up to date forecast of capital receipts.

## 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**

8.1 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

Service / Scheme	New monies			Funded					Unfunded							
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Dec 2011/12 £'000	11/12 £'000	12/13 £'000	13/14 & beyond £'000	Additional Funding Required £'000	Total £'000	11/12 £'000	12/13 £'000	13/14 £'000	
<b>SUMMARY</b>																
Corporate Management	792.2	(15.2)	18.7	795.7		795.7	122.5	251.8	535.5	8.4	0.0	0.0	0.0	0.0	0.0	0.0
EMT	79.2	0.0	0.0	79.2		79.2	20.9	79.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Resource Management	28.6	31.0	0.0	59.6		59.6	21.4	43.2	41.4	0.0	25.0	0.0	0.0	0.0	0.0	0.0
Street Services	28.7	153.5	0.0	278.2		278.2	0.0	74.9	107.3	0.0	0.0	96.0	0.0	0.0	0.0	0.0
Environmental & Protective Serv.	1,190.9	200.0	3,394.5	4,971.4		4,971.4	156.6	316.4	1,613.5	2,855.5	0.0	186.0	0.0	0.0	186.0	0.0
Strategic Policy & Regeneration	6,957.7	300.0	355.8	7,613.5		7,613.5	4,350.9	6,718.4	1,035.8	64.3	205.0	0.0	0.0	0.0	0.0	0.0
Life Opportunities	2,587.1	(88.1)	269.4	2,823.4		2,823.4	1,023.7	1,447.1	1,321.3	0.0	0.0	55.0	0.0	0.0	55.0	0.0
Completed Schemes - current (shown below)	33.2	186.9	(44.3)	175.8		175.8	152.0	182.7	0.0	0.0	6.9	0.0	0.0	0.0	0.0	0.0
Completed Schemes not reported below	204.4	(167.3)	0.0	37.1		37.1	36.2	36.2	0.0	0.0	(0.9)	0.0	0.0	0.0	0.0	0.0
Finance Leases	0.0	0.0	81.4	81.4		81.4	81.4	81.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total (General Fund)</b>	<b>11,902.0</b>	<b>600.8</b>	<b>4,075.5</b>	<b>16,915.3</b>		<b>16,915.3</b>	<b>5,965.6</b>	<b>9,231.3</b>	<b>4,654.8</b>	<b>2,928.2</b>	<b>236.0</b>	<b>337.0</b>	<b>0.0</b>	<b>337.0</b>	<b>0.0</b>	<b>0.0</b>
Housing Revenue Account	7,410.9	75.4	0.0	7,486.3		7,486.3	3,102.4	6,364.1	1,122.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Capital Programme</b>	<b>19,312.9</b>	<b>676.2</b>	<b>4,075.5</b>	<b>24,401.6</b>		<b>24,401.6</b>	<b>9,068.0</b>	<b>15,595.4</b>	<b>5,777.0</b>	<b>2,928.2</b>	<b>236.0</b>	<b>337.0</b>	<b>0.0</b>	<b>337.0</b>	<b>0.0</b>	<b>0.0</b>

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 22 November 2011

Add:

- Bergholt Road Play Area - S106 release
- Castle Park Play Area - S106 release
- Hickory Ave/Titania Close Play Equipment - S106 release
- Gladiator Way - Play equipment S106 release
- Barbour Gardens - Play Equipment S106 release
- Moot Hall Organ - external funding for Phase 1 of HLF claim
- Town Station Square S106 release
- Messing Village Hall - additional S106 funding
- Hythe Community Centre - additional S106 funding
- Mandatory Disabled Facilities Grants - additional government grant for 2011-12
- Transcoast - European funding

**Current Funded Programme**

<b>£'000</b>	
23,703.9	
15.0	
73.0	
22.0	
30.0	
12.0	
18.7	
30.8	
2.1	
0.4	
51.7	
105.0	
<b>24,064.6</b>	

Service / Scheme	New monies			Funded				Unfunded						
	Funded Prog. B/fwd £'000	CBC £'000	Exl. Funding £'000	Total Funded Prog. £'000	Status	Spend Apr-Dec 2011/12 £'000	11/12 £'000	12/13 £'000	13/14 & beyond £'000	Additional Funding Required £'000	Total £'000	11/12 £'000	12/13 £'000	13/14 £'000
<b>CORPORATE MANAGEMENT</b>														
<b>Town Hall DDA Sensory Project</b>	204.7	(15.2)	0.0	189.5	FF	3.1	183.4	3.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Replacement of existing hearing loop and PA systems within the Town Hall and enhancement of audio visual equipment within the Town Hall and Rowan House Training Room.														
<i>Comments:</i> £75k released by Cabinet for this scheme, together with balance of previous DDA project. Initial feasibility study and first round tender exercise complete. Second round tender discussed with SMT, but project currently on hold pending decision from Cabinet to proceed in view of Town Hall remarketing.														
<b>Carbon Management Programme phase 2</b>	342.0	0.0	0.0	342.0	FF	65.9	151.0	5.4	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Phase 2 schemes: Rowan House Lighting and filming of windows, Multi-storey car park lighting, and upgrading of BEMS within operational buildings.														
<i>Comments:</i> Funding released by Cabinet on 1 December 2010. Rowan House window filming and lighting projects complete. Upgrading of BEMS systems project currently out to tender and due to commence on site February 2012. MSCP Lighting project at final design stage with anticipated start on site of April 2012.														
<b>Moot Hall Organ</b>	0.0	0.0	18.7	18.7	FF	0.4	8.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Restoration and repair of Moot Hall organ. Project funded by HLF and Friends of the Moot Hall Organ.														
<i>Comments:</i> Stage 1 funding bid successful. Awaiting confirmation of funding and mechanism for drawing down funds. Stage 2 funding application form received.														
<b>Customer Service Centre Redesign</b>	95.5	0.0	0.0	95.5	FF	0.0	95.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Work required following the completion of the flexible working project and sale of Angel Court, and development of infopoint@colchester.														
<i>Comments:</i> Discussions with partners continue to help shape the future delivery of customer contact services; we need to retain flexibility about our plans for Angel Court until we have concluded negotiations. This will move forward through the UCC FSR. Some immediate expenditure may be required to respond to the C&C works affecting our current reception area in Angel Court.														
<b>ICT Strategy Phase 2</b>	150.0	0.0	0.0	150.0	FF	53.1	96.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Second phase of ICT capital investment														
<i>Comments:</i> Spend has been minimal over the past quarter, and mostly relates to the commitment to the Street Services FSR. Remaining budget unlikely to be spent this year, and held against projects outlined in the ICT strategy 2010-13.														
<b>TOTAL - CORPORATE MANAGEMENT</b>	<b>792.2</b>	<b>(15.2)</b>	<b>18.7</b>	<b>795.7</b>		<b>122.5</b>	<b>535.5</b>	<b>8.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>EMT</b>														
<b>Support for Parish Councils and Community Groups</b>	79.2	0.0	0.0	79.2	FF	20.9	79.2	0.0	0.0	0.0	0.0	0.0	0.0	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 inevitably slip into the following years. £50k of funds for last financial year 2009/10 was allocated at a meeting in March 2010. There is currently no further funding for this scheme and commitments are expected to be spent by end of year. Any funds unspent will be returned to the Capital Programme for reallocation.														
<b>TOTAL - EMT</b>	<b>79.2</b>	<b>0.0</b>	<b>0.0</b>	<b>79.2</b>		<b>20.9</b>	<b>79.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Service / Scheme	New monies				Funded				Unfunded					
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Total Funded Prog. £'000	Spend Apr-Dec 2011/12 £'000	11/12 £'000	12/13 £'000	13/14 & beyond £'000	Additional Funding Required £'000	Total £'000	11/12 £'000	12/13 £'000	13/14 £'000
	Status													
<b>RESOURCE MANAGEMENT</b>														
<b>Financial Systems Migration</b>	3.1	0.0	0.0	3.1	3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Upgrade of Financial Systems														
<i>Comments:</i> Final phase is to integrate CLW & CBH Debtors. This is now awaiting the outcome of the Life Opportunities FSR to determine requirements.														
<b>Site Disposal Costs</b>	(15.9)	31.0	0.0	15.1	15.1	21.4	40.1	0.0	0.0	25.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Costs of securing capital receipts														
<i>Comments:</i> On-going security costs for the Laver Road football ground are still being incurred - contracts now exchanged. Sale of Plot 700 at Colchester Business Park now completed. Sale of Restaurant site next to the new BP filling station now agreed. Budget is now overspent and approximately £25k is required to meet existing commitments, but further resources will be required if further sales are to be implemented.														
<b>Moler Works Site</b>	41.4	0.0	0.0	41.4	41.4	0.0	0.0	41.4	0.0	0.0	0.0	0.0	0.0	0.0
<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 2012/13 or later.														
<b>TOTAL - RESOURCE MANAGEMENT</b>	<b>28.6</b>	<b>31.0</b>	<b>0.0</b>	<b>59.6</b>	<b>59.6</b>	<b>21.4</b>	<b>43.2</b>	<b>41.4</b>	<b>0.0</b>	<b>25.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>STREET SERVICES</b>														
<b>Flat Recycling Extension</b>	10.3	0.0	0.0	10.3	10.3	0.0	0.0	10.3	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> New phase delivering recycling facilities for residents living in flats														
<i>Comments:</i> This was being used to support the expansion of recycling services to residents living in flats in financial year 09/10 and continuing into 2010/11. The spend so far has been on recycling sacks, bins, frames and the fitting costs at the various sites. New build flats 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 has now been added to this scheme, and there is still £10k left to commit on this work - £4,200 is being spent on the purchase of 90 360ltr flat recycling bins. This purchase has been withheld due to the possible extension of this service to now include plastics. The £10k is still required for 12/13 to assist with the possible extended service.														
<b>Street Services FSR</b>	0.0	157.0	0.0	157.0	157.0	0.0	60.0	97.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Capital costs of implementing Street Services FSR														
<i>Comments:</i> Agreed for inclusion in the capital programme by Cabinet in December 2010, and funding released by Cabinet on 14 July 2011. The costs of the agreed capital purchases will now be moved to this funding stream and refunded to the revenue account. There has been no spend to date that has been moved from the revenue account, but the contract for the Scheduling software and hardware will be agreed before the financial year-end. It is likely that payments will be made in March 2012.														
<b>Upgrade of CCTV Equipment</b>	3.5	(3.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Upgrade of equipment to digital format														
<i>Comments:</i> Complete.														
<b>CCTV Section 106 installations</b>	14.9	0.0	0.0	14.9	14.9	0.0	14.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Cost of purchasing a video matrix system and its installation														
<i>Comments:</i> Section 106 funding released for above works to expand the CCTV infrastructure and a new programme of works is being put together with the Council's CCTV engineering contractor														
<b>TOTAL - STREET SERVICES</b>	<b>28.7</b>	<b>153.5</b>	<b>0.0</b>	<b>278.2</b>	<b>182.2</b>	<b>0.0</b>	<b>74.9</b>	<b>107.3</b>	<b>0.0</b>	<b>0.0</b>	<b>96.0</b>	<b>0.0</b>	<b>96.0</b>	<b>0.0</b>



Service / Scheme	New monies			Funded				Unfunded					
	Funded Prog. B/fwd	CBC	Ext. Funding	Total Prog.	Spend Dec 2011/12	11/12	12/13	13/14 & beyond	Additional Funding Required	Total	11/12	12/13	13/14
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>ENVIRONMENTAL &amp; PROTECTIVE SERVICES</b>													
<b>Heritage Fund - incl. Roman Walls</b>	225.4	0.0	0.0	311.4	39.4	39.4	186.0	0.0	0.0	86.0	0.0	86.0	0.0
<i>Description of Scheme:</i>	Heritage Fund used to enhance public spaces and historic sites, and protect key buildings												
<i>Comments:</i>	The repairs in Priory Street were completed in October 2011. Tenders have been received for the Middleborough/Balkerne Way stretch and a contractor will be appointed shortly with a view to the work being started as soon as possible in 2012 subject to weather conditions. This next phase of work is grant aided by English Heritage.												
<b>Heritage Fund - Castle Park Interpretation</b>	23.3	0.0	0.0	23.3	0.0	0.0	0.0	23.3	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Heritage Fund used to enhance public spaces and historic sites, and protect key buildings												
<i>Comments:</i>	Interpretation/orientation boards are now in place at all the main entry points. The remainder of the money linked to this scheme is now linked to the refurbishment of Colchester Castle Museum as this project includes heritage interpretation in the Castle Park.												
<b>Cemetery Extension</b>	125.0	0.0	0.0	125.0	0.0	5.0	50.0	70.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Acquisition of land and provision of infrastructure to enable continuation of burial services												
<i>Comments:</i>	Estates are currently in negotiations with MOD to try to secure an area of land adjacent to the current cemetery. These are very close to completion and, if successful, the capital funding identified here will be required to undertake works to the land including site survey, mapping, levelling, landscaping and fencing, along with any access roads that may need to be built.												
<b>Replacement of Cremators</b>	29.5	0.0	0.0	29.5	0.0	29.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Replacement of Cremators at Colchester Crematorium to deliver mercury abatement in compliance with environmental legislation.												
<i>Comments:</i>	The decision was made at Council on 14 October 2009 to proceed with the replacement of the two cremators at the Crematorium. The report advised that outright purchase of the equipment represented the best value for money, but recommended that the Council should only borrow for one cremator and lease the second due to the forecast partial VAT exemption position. Discussions with HMRC resolved the potential breach of the partial exemption limit in 2010/11 for the purchase of the cremators and a decision was made to purchase both units. The installation programme has concluded (final invoice to be paid) and both new cremators are fully operational.												
<b>Roman Circus</b>	76.0	0.0	0.0	76.0	6.8	6.8	32.2	37.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Interpretation/Visitor Centre for Roman Remains												
<i>Comments:</i>	This is now firmly linked to the larger Castle redevelopment project which will include interpretation of the Roman Circus. In advance of this two initial interpretation panels are planned to be on site in 2012/13 and this work is already in preparation.												
<b>Castle Walls</b>	0.0	200.0	0.0	200.0	85.7	85.7	114.3	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Repair works to the external walls of Colchester Castle												
<i>Comments:</i>	Repair works were undertaken on the west wall from July to October 2011. The allocated funding will cover the cost of the works to the west wall and a further wall, planning for which is at an early stage												
<b>Redevelopment of Castle Museum</b>	711.7	0.0	3,394.5	4,206.2	24.7	150.0	1,231.0	2,725.2	0.0	100.0	0.0	100.0	0.0
<i>Description of Scheme:</i>	Provision of match funding towards Lottery bid												
<i>Comments:</i>	The Heritage Lottery Fund awarded £3,267,400 towards the project which represents 77% of the total cost of £4,229,500. The delivery stage of the project starts in August 2011. Colchester Castle will close in January 2013 and re-open in March 2014. Project completion is September 2014. Cash flow has been predicted for the project in a separate document.												
<b>TOTAL - ENV &amp; PROT SERVICES</b>	<b>1,190.9</b>	<b>200.0</b>	<b>3,394.5</b>	<b>4,971.4</b>	<b>156.6</b>	<b>316.4</b>	<b>1,613.5</b>	<b>2,855.5</b>	<b>0.0</b>	<b>186.0</b>	<b>0.0</b>	<b>186.0</b>	<b>0.0</b>

Service / Scheme	New monies				Funded				Unfunded					
	Funded Prog. B/fwd	CBC	Ext. Funding	Total Prog.	Total Funded Prog.	Spend Apr-Dec 2011/12	11/12	12/13	13/14 & beyond	Additional Funding Required	Total	11/12	12/13	13/14
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>STRATEGIC POLICY &amp; REGENERATION</b>														
<b>Park &amp; Ride</b>	124.4	0.0	0.0	124.4	FF	0.0	0.0	124.4	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Costs of achieving a Colchester Park & Ride.													
<i>Comments:</i>	Planning consent for a 1000 space park and ride facility at North Colchester was granted in 2011. CBC has set aside the land required for the P&R and is in the process of agreeing Heads of Terms with ECC. Scheme has recently formed part of a Growing Places funding bid to enable delivery in 2012.													
<b>Community Stadium Pre-development</b>	12.2	0.0	0.0	12.2	FF	0.0	0.0	12.2	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Preliminary work on construction details, costs and business planning to progress the project.													
<i>Comments:</i>	Build project completed (see below). Final spend for legal fees to complete legal agreements.													
<b>Community Stadium - Build</b>	7.1	0.0	0.0	7.1	FF	(10.7)	0.0	7.1	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Construction of new Community Stadium													
<i>Comments:</i>	Main build completed and retention paid. Final spend allocated for external works.													
<b>North Colchester Development Land</b>	50.0	200.0	0.0	250.0	FF	25.1	250.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Predevelopment activity (such as specialist input on legal, highway and environmental issues) to facilitate the commencement of the development of Cuckoo Farm.													
<i>Comments:</i>	£50k has been allocated to fund the commencement of disposal of the 40 acre development site and work has commenced on a Masterplan.													
<b>North Colchester Business Incubation Unit</b>	71.5	0.0	0.0	71.5	FF	(37.5)	35.0	36.5	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Business Incubator Units in North Colchester													
<i>Comments:</i>	The project was completed on time and on budget. Final snagging to be carried out in January 2012. Remaining spend is for retention and completion of sub contractor warranties.													
<b>Hythe Station Environmental Improvements</b>	53.8	0.0	0.0	53.8	FF	8.3	53.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Improvements around Hythe Station													
<i>Comments:</i>	This funding was for improvements to the station forecourt and road immediately outside the station. The work is complete and station has been formally handed back to Network Rail and National Express East Anglia. It is intended that surplus funds will be transferred to the Transcoast project to act as part of the match funding for the EU funding CBC has secured.													
<b>King Edward Quay</b>	3.5	0.0	0.0	3.5	FF	(7.1)	3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Transformation of Quay													
<i>Comments:</i>	The major works are completed but there are a number of minor snagging issues relating to street furniture to be dealt with. No spend is committed at present but it is expected that the remaining funds will cover the costs.													
<b>St Botolphs Regeneration</b>	858.7	(50.0)	0.0	808.7	FF	64.1	350.0	458.7	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Fund to progress elements within the St Botolphs regeneration area.													
<i>Comments:</i>	Currently finalising legal documentation for new St Botolphs Qtr hotel. Work continues on planning application which is expected to be submitted by March 2012. Heads of Terms for revised Vineyard Gate scheme going to Cabinet 25th. If approved, development agreements to be completed by March 2012.													

Service / Scheme	New monies				Funded				Unfunded						
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Dec 2011/12 £'000	11/12 £'000	12/13 £'000	13/14 & beyond £'000	Additional Funding Required £'000	Total £'000	11/12 £'000	12/13 £'000	13/14 £'000
<b>St Botolphs Public Realm</b>	551.5	50.0	220.0	821.5	FF	821.5	762.3	821.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Public Realm Improvements in the St Botolphs area															
<i>Comments:</i> Public realm works adjacent to firstsite complete, some snagging issues being dealt with and final reconciliation of spend underway.															
<b>Town Centre Improvements</b>	525.2	0.0	0.0	525.2	FF	525.2	8.4	365.2	160.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Improvement works to Town Centre, including removal of unnecessary traffic and improved public realm (including Historic Core Zone)															
<i>Comments:</i> ECC now progressing traffic regulation orders due to publication in February. This scheme which is largely funded from Growth Point monies feeds into the wider Town Centre improvements programme which seeks to deliver significant social and economic benefits. Design for relocated bus station is being costed.															
<b>Town Station Square</b>	211.0	0.0	30.8	241.8	FF	241.8	29.0	241.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Development of Public Open Space between railway station and new Court Building funded from Section 106															
<i>Comments:</i> Creation of new public square with art feature funded through S106 monies. Planning consent granted January 2012. Liaison with Court Service ongoing to ensure scheme is compatible with new Magistrates Court with opening in April 2012.															
<b>A12 Junction Facilitation</b>	(19.8)	100.0	0.0	80.2	FF	80.2	112.5	285.2	0.0	0.0	205.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Contribution towards A12 Junction Facilitation costs															
<i>Comments:</i> This phase of the scheme is complete and funded from Growth Point monies. BP have opened their new filling station at the new Junction site. Decommissioning of the old BP site has been completed and we are awaiting final claim. Indications are that there is a funding overspend which has been caused as a result of the unexpected reduction in grant funding allocated to CBC by HGP in 10/11															
<b>Creative Business Hub</b>	36.6	0.0	0.0	36.6	FF	36.6	23.1	36.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Contribution to Creative Business Centre															
<i>Comments:</i> This Haven Gateway Growth Point funding is a contribution to the creative Business Centre to be formed in the St Botolphs Quarter. Work to consider early refurbishment of garages on site is not feasible due to structural issues therefore efforts are now being concentrated on redevelopment of main annexe. Monies secured through a European bid to contribute to these works and development management model for the space.															
<b>Transcoast</b>	0.0	0.0	105.0	105.0	FF	105.0	0.7	0.7	40.0	64.3	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Design, manufacture and installation work to improve public realm and access routes to redevelop and integrate old port. Enabling and installation work for moorings and pontoons. Community event and engagement programme															
<i>Comments:</i> Final design concept for the pontoons agreed with stakeholders. Drawings and specification now being completed along with an estimate of costs to enable procurement.															
<b>Firstsite (VAF)</b>	4,275.1	0.0	0.0	4,275.1	FF	4,275.1	3,382.7	4,275.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> New Visual Arts Facility															
<i>Comments:</i> Firstsite main construction programme finished at the end of July 2011 with the opening of Firstsite at the end of September. Contract retention sums will be retained for a year following Practical Completion sign off. Significant spend is complete and final claims are being submitted.															

Service / Scheme	New monies				Funded				Unfunded					
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Total Funded Prog. £'000	Spend Apr-Dec 2011/12 £'000	11/12 £'000	12/13 £'000	13/14 & beyond £'000	Additional Funding Required £'000	Total £'000	11/12 £'000	12/13 £'000	13/14 £'000
<b>Assistance to Registered Housing Providers</b>	196.9	0.0	0.0	196.9	196.9	0.0	0.0	196.9	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Support to affordable housing schemes													
<i>Comments:</i>	This funding is used to take advantage of affordable housing opportunities which arise and (i) could not be funded by other means or, (ii) where use of our funding would enable delivery or, (iii) use of our funding would enhance the number of affordable homes being delivered. The results of the Homes and Communities Agency bidding process under the Affordable Housing Framework are still not yet known in any detail for the majority of registered providers. Once the detail becomes available we will be able to assess whether our funding could be used to secure affordable housing where funding bids have not been successful. The redevelopment work on our garage sites continues, however we are unlikely to draw down any of the remaining budget until 2012/2013.													
<b>TOTAL - STRAT POLICY &amp; REGEN</b>	<b>6,957.7</b>	<b>300.0</b>	<b>355.8</b>	<b>7,613.5</b>	<b>7,613.5</b>	<b>4,350.9</b>	<b>6,718.4</b>	<b>1,035.8</b>	<b>64.3</b>	<b>205.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Service / Scheme	New monies				Funded				Unfunded					
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Total Funded Prog. £'000	Spend Apr-Dec 2011/12 £'000	11/12 £'000	12/13 £'000	13/14 & beyond £'000	Additional Funding Required £'000	Total £'000	11/12 £'000	12/13 £'000	13/14 £'000
<b>LIFE OPPORTUNITIES</b>														
<b>Improving Life Opportunities</b>	26.4	0.0	0.0	81.4	26.4	8.1	8.1	18.3	0.0	0.0	55.0	0.0	55.0	0.0
<i>Description of Scheme:</i> A general provision to enable the Council to support work in improving life chances such as the provision of new community facilities.														
<i>Comments:</i> £8,120 spent on Ghost Wood.														
<b>Hythe Community Centre</b>	0.2	0.0	6.2	6.4	6.4	6.4	6.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> S106. Improvements incl. conversion of garage to storage, works to windows and doors and boiler replacement.														
<i>Comments:</i> Further Section 106 funds released totalling £6.2k.														
<b>Mandatory Disabled Facilities Grants</b>	1,188.2	(88.1)	51.7	1,151.8	1,151.8	589.3	700.0	451.8	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Disabled Facility Grants														
<i>Comments:</i> We are obliged to approve any grant requests for this budget that meet the criteria. There is, however, a time lag between approving grants and paying monies as we pay after adaptations work is complete. As at December 2011 we have spent £580,000 and committed a further £230,000.														
<b>Private Sector Renewals - Loans and Grants</b>	913.1	0.0	0.0	913.1	913.1	131.9	250.0	663.1	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Loans and grants to private householders														
<i>Comments:</i> In recent months we have seen an increase in applications for Home Repair Loans and have committed to spend a further £109,000.														
<b>Old Heath MUGA Installation &amp; Landscape Improvements</b>	10.5	0.0	0.0	10.5	10.5	0.0	10.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Works to recreation ground														
<i>Comments:</i> Work has been completed and site is open for use. Works include installation, soil testing, path works and white lining. Remaining budget to be spent on notice boards, link paths, seating and bins.														
<b>Castle Park - Playground Refurbishment</b>	174.9	0.0	79.5	254.4	254.4	193.3	254.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Refurbishment of Playground														
<i>Comments:</i> Play equipment installed. Associated ancillary works including nursery area reduction being completed.														
<b>Messing Village Hall Refurbishment S106</b>	28.2	0.0	6.0	34.2	34.2	34.2	34.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Parish Council proposes to refurbish village hall from section 106 agreement from local development.														
<i>Comments:</i> S106 released to Messing Parish Council on receipt of invoices associated with the refurbishment work.														
<b>Repairs to walls of closed churchyards</b>	68.4	0.0	0.0	68.4	68.4	42.3	48.4	20.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Health & safety works to walls of closed churchyards.														
<i>Comments:</i> The St Peter's, St James, St Martins and St Botolphs priority wall repairs have now all been completed. A further survey will be completed in Spring 2012 when the next phase of priorities will be identified.														
<b>Resource Centre - Highwoods Country Park</b>	153.1	0.0	0.0	153.1	153.1	0.8	0.0	153.1	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> S106. Provision of Resource Centre.														
<i>Comments:</i> Tenders were returned December 2009. However, despite undertaking an extensive value engineering exercise it was not possible to scale the project back to suit the existing budget. Alternative scheme being considered.														

Service / Scheme	New monies					Funded				Unfunded						
	Funded Prog. B/fwd	CBC	Ext. Funding	Total Prog.	Status	Total Funded Prog.	Spend Apr- Dec	11/12	12/13	13/14 & beyond	Additional Funding Required	Total	11/12	12/13	13/14	
	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Boada Skatebowl</b>	21.8	0.0	0.0	21.8	FF	21.8	17.4	21.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i> Provision of new activity area targeted at young people																
<i>Comments:</i> The skate park has been constructed and now open. 2nd phase of improvements are being funded by £8,265 from Big Lottery Childrens Play Programme and £15,000 from CORY grant. Work at total cost of £24,700 to install CCTV and lighting including new power supply installed by EDF. Work completed and commissioned.																
<b>Grove Rd Tiptree Skatepark S106</b>	0.0	0.0	20.0	20.0	FF	20.0	0.0	20.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i> Expansion of existing youth facilities at Grove Road Recreation Ground Tiptree. Project being developed by Tiptree Parish Council.																
<i>Comments:</i> Application being made by Tiptree Parish Council for external funding. £20k S106 Ward funding has been allocated to this project to act as match funding and pump priming the project. Total project budget has been set at £90k. No funding has yet been released																
<b>Broad Lane Sports Ground S106</b>	0.0	0.0	14.5	14.5	FF	14.5	0.0	14.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i> Contribution to construction and fitting out of new toilet block																
<i>Comments:</i> Funding has been allocated via Spend Release process but no funding contribution has yet been paid.																
<b>King George V Pavilion Wivenhoe S106</b>	0.0	0.0	12.5	12.5	FF	12.5	0.0	12.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i> Contribution to Upgrade of sports pavilion at King George V Playing Field																
<i>Comments:</i> Funding has been allocated via Spend Release process but no funding contribution has yet been paid.																
<b>Bergholt Road Play Area</b>	0.0	0.0	15.0	15.0	FF	15.0	0.0	0.0	15.0	0.0	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i> Improvements to Bergholt Road Play Area																
<i>Comments:</i> S106 funds have been earmarked to enable community organisation to use funds for match funding for external grants. No expenditure anticipated in 2011/12. Expenditure will be dependent on success of attracting additional external funding which will be reviewed in spring 2012.																
<b>Hickory Ave/Titania Close Play Equipment S106</b>	0.0	0.0	22.0	22.0	FF	22.0	0.0	22.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i> Provision of new play equipment																
<i>Comments:</i> Order for play equipment has been placed. Completion anticipated by end of March 2012.																
<b>Gladiator Way - Play Equipment S106</b>	0.0	0.0	30.0	30.0	FF	30.0	0.0	30.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i> Provision of new play equipment																
<i>Comments:</i> Play designs have been sought and selected. Order for play equipment is imminent and expected for installation by end March 2012.																
<b>Barbour Gardens - Play Equipment S106</b>	0.0	0.0	12.0	12.0	FF	12.0	0.0	12.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i> Provision of new play equipment																
<i>Comments:</i> Play designs have been sought and selected. Order for play equipment is imminent and expected for installation by end March 2012.																
<b>Castle Park Improvements</b>	2.3	0.0	0.0	2.3	FF	2.3	0.0	2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i> Section 106. Design work to create plans showing overall improvements to the park in a coordinated approach.																
<i>Comments:</i> Money released from Section 106 to produce outline drawings for integral approach to Castle Park improvements.																
<b>TOTAL - LIFE OPPORTUNITIES</b>	<b>2,587.1</b>	<b>(88.1)</b>	<b>269.4</b>	<b>2,823.4</b>		<b>2,768.4</b>	<b>1,023.7</b>	<b>1,447.1</b>	<b>1,321.3</b>	<b>0.0</b>	<b>0.0</b>	<b>55.0</b>	<b>0.0</b>	<b>55.0</b>	<b>0.0</b>	

Service / Scheme	New monies				Funded				Unfunded					
	Funded Prog. B/fwd	CBC	Ex: Funding	Total Prog.	Total Funded Prog.	Spend Apr-Dec 2011/12	11/12	12/13	13/14 & beyond	Additional Funding Required	Total	11/12	12/13	13/14
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>COMPLETED SCHEMES (OR WHERE RETENTION ONLY OUTSTANDING)</b>														
Electronic Service Delivery	8.2	(7.9)	0.0	0.3	0.3	4.2	7.2	0.0	0.0	6.9	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Customer Service Centre. Furtherance of electronic service facilities includes areas identified in business case for CSC													
<i>Comments:</i>	Complete. Remaining budget was deleted in last report but £6.9k needs to be reinstated to meet committed expenditure. One invoice remains to be paid.													
<b>Loan to Colchester Community Stadium Ltd</b>	0.0	60.0	0.0	60.0	60.0	60.0	60.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Loan to part fund cost of surfacing the car park at the Community Stadium													
<i>Comments:</i>	Loan successfully set up. Car Park works successfully completed. Repayment of the loan has now commenced.													
<b>Garrison MRS Roof S106</b>	45.9	0.0	0.0	45.9	45.9	45.9	45.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Replacement of stolen lead gutters and flashings.													
<i>Comments:</i>	Works complete.													
<b>Westlands Country Park Play Equipment</b>	24.0	0.0	0.9	24.9	24.9	8.1	24.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Provision of zip wire and group swing as final element of play area phasing.													
<i>Comments:</i>	Work completed. Contractor has been paid and grant payments have been received via Friends of Westlands Country Park													
<b>Play Equipment - Highwoods Country Park</b>	10.0	0.0	0.0	10.0	10.0	10.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Provision of children's interactive play elements within the Country Park. Funded externally by Playbuilder project and Section 106 Borough fund													
<i>Comments:</i>	Work started on site January 2011 and is now complete.													
<b>Woden Ave Playground S106</b>	45.2	0.0	(45.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Play area installation funded by contribution from Persimmons Homes.													
<i>Comments:</i>	Work completed, but included in revenue account in 2010-11 so funding removed from capital programme.													
<b>St John's Church Community Hall S106</b>	10.0	0.0	0.0	10.0	10.0	4.5	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Contribution to cost of new community hall													
<i>Comments:</i>	Section 106 contribution to be used as part payment for construction. Payment has been made													
<b>Colchester Leisure World - Fitness Pool LACM and Modernisation</b>	(110.1)	134.8	0.0	24.7	24.7	19.3	24.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Refrurbishment of Fitness Pool building													
<i>Comments:</i>	Works now complete and final account settled. Changing room cubicle defect to be resolved with manufacturer and final fee invoice to be agreed with architect. Project has overspent by c£135k due largely to unforeseen works such as the discovery of asbestos within the existing roof structure - additional funding was agreed by Cabinet on 13 July 2011.													
<b>TOTAL - COMPLETED SCHEMES</b>	33.2	186.9	(44.3)	175.8	175.8	152.0	182.7	0.0	0.0	6.9	0.0	0.0	0.0	0.0

Service / Scheme	New monies				Funded			Unfunded			
	Funded Prog. B/f/w/d £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Dec 2011/12 £'000	11/12 £'000	12/13 £'000	13/14 £'000	13/14 £'000
<b>FINANCE LEASES</b>											
<b>Acquisition of MFDs</b>	0.0	0.0	81.4	81.4	FF	81.4	81.4	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Acquisition of MFDs (Multi Functional Devices)										
<i>Comments:</i>	Accounting rules now require that where a lease is classified as a finance lease, the substance of the transaction is considered the same as if the authority had purchased the asset and financed it through a loan. The new MFDs acquired during 2011/12 fall into this category and so are reported here as part of the Council's capital expenditure and will be recognised in the Council's Asset Register.										
<b>TOTAL - FINANCE LEASES</b>	<b>0.0</b>	<b>0.0</b>	<b>81.4</b>	<b>81.4</b>		<b>81.4</b>	<b>81.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>HOUSING REVENUE ACCOUNT</b>											
<b>Decent Homes &amp; Upgrades</b>	6,568.2	75.4	0.0	6,643.6	FF	6,643.6	2,786.3	5,643.6	1,000.0	0.0	0.0
<i>Description of Scheme:</i>	Scheme to bring council housing stock up to Decent Homes standard together with other upgrade works										
<i>Comments:</i>	The full Decent Homes programme recommenced in May 2010. The programme was completed in December 2011 and year ahead of programme and this has been reported to Cabinet, FASP and the TSA who have sent their congratulations.										
<b>Adaptations</b>	540.5	0.0	0.0	540.5	FF	540.5	244.9	540.5	0.0	0.0	0.0
<i>Description of Scheme:</i>	Improvements made to Council housing stock to meet specific tenants needs										
<i>Comments:</i>	The remainder of the 2010-11 allocation has been carried forward to this year to cover spending commitments. The 2011-12 allocation is being apportioned month by month and should be used within year.										
<b>Housing ICT Development</b>	302.2	0.0	0.0	302.2	FF	302.2	71.2	180.0	122.2	0.0	0.0
<i>Description of Scheme:</i>	Improvements to Housing IT systems										
<i>Comments:</i>	Estimated expenditure for 11/12 includes £220k for improvements for CBH as part of their FSR. This will be used to change working practices and processes to make them more efficient and effective. This includes a work scheduling system for Property Services, enhancements to self serve, automation of some processes, mobile working and training. Other planned expenditure of £60k includes upgrades to the Capita Housing System. The project to implement work scheduling for Property Services at CBH has been completed. The purchase of IT equipment for mobile working for Staff at CBH is currently ongoing and will be completed before the end of the financial year. We will also purchase an upgrade to the Capita repairs system and IT infrastructure to implement this prior to the end of the financial year.										
<b>TOTAL - HRA</b>	<b>7,410.9</b>	<b>75.4</b>	<b>0.0</b>	<b>7,486.3</b>		<b>7,486.3</b>	<b>3,102.4</b>	<b>6,364.1</b>	<b>1,122.2</b>	<b>0.0</b>	<b>0.0</b>

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**

28 February 2012

Report of	Scrutiny Officer	Author	Robert Judd Tel. 282274
Title	Work Programme 2011-12		
Wards affected	Not applicable		

**This report sets out the 2011-12 Work Programme for the Finance and Audit Scrutiny Panel and Accounts and Regulatory Committee**

### 1. Action Required

- 1.1 The Panel is asked to consider and comment on the 2011-12 work programme.

### 2. Reason for Action

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

### 3. Changes / Amendments

- 3.1 No changes or amendments to the Work Programme.

### 4. Work Programme

#### 28 June 2011

1. Annual review of the Governance Framework and 2010-11 Statement (A&R)
2. Annual Statement of Accounts
3. Stanway Community Governance Review (A&R)
4. 2010-11 Revenue Expenditure Monitoring Report (FASP)
5. 2010-11 Capital Expenditure Monitoring Report (FASP)
6. 2010-11 Internal Audit Report (FASP)
7. Future of Local Public Audit – a consultation (FASP)

#### 26 July 2011

1. Annual Report on Treasury Management
2. 2010-11 Risk Management Summary & Strategy Review
3. 2010/11 Year end review of Capital Improvement Programme (DHP)
4. Draft Annual Statement of Accounts (A&R) (+ briefing)
5. Notification of the review of Polling Places and Districts (4-yearly)(A&R)

#### 23 August 2011

1. 2011-12 Revenue Expenditure Monitoring Report, period April to June
2. 2011-12 Capital Expenditure Monitoring Report, period April to June

#### 27 September 2011

1. Annual Statement of Accounts – Annual Governance Report (A&R)  
Internal briefing – 6pm, Thursday 22 September 2011
2. Polling Places and Districts Proposals (A&R)
3. Office Accommodation / Flexible Working (FASP)

**18 October 2011**

1. Polling Places and Districts Proposals (A&R)
2. Rec. for Community Governance Review Stanway Parish Council (A&R)
3. Report Publication of Audited Statement of Accounts  
(electronic copies to Members of the Committee) (A&R)
4. Annual Business Continuity Year-end

**23 November 2011**

1. CALL-IN – Activity Centre Services for people over 50 years of age
2. Risk Management, period April to September
3. 2011-12 Revenue Expenditure Monitoring Report, period April to September
4. 2011-12 Capital Expenditure Monitoring Report, period April to September
5. Treasury Management – 6-monthly update

**6 December 2011 (extra meeting)**

1. Annual Audit Letter (AC)(A&R)
2. Interim Annual Governance Statement review (A&R)
3. 2011-12 6-monthly review - Capital Improvement Programme (DHP)
4. 2011-12 Internal Audit Monitor, period April to September

**24 January 2012**

1. Myland Community Governance Review (A&R)
2. Audit Opinion Plan (AC)
3. Audit Commission Progress report (AC)
4. 2012-13 Revenue Budget
5. Treasury Management - Investment Strategy
6. Housing Revenue Account Estimates and Housing Investment Programme

**28 February 2012**

1. 2011-12 Revenue Expenditure Monitoring Report, period April to December
2. 2011-12 Capital Expenditure Monitoring Report, period April to December
3. Certificate of Claims and Returns (AC)

**27 March 2012**

1. Annual Governance Statement Process
2. Financial and parking aspects of Park and Ride

