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**REPORT TO THE MEETING OF THE EXECUTIVE 2 DECEMBER 2015**

**PORTFOLIO: FINANCE**

**REPORT FROM: SECTION 151 OFFICER**

**SUBJECT: QUARTER 2 2015/16 FINANCIAL MANAGEMENT REPORT**

**1 DECISION BEING RECOMMENDED**

**Revenue and Capital Budget: the following are recommended to be submitted to Full Council to note and approve as appropriate:-**

- 1.1 The Quarter 2 2015/16 revenue budget and capital position of the Council contained in sections 3 and 4 and as shown in Appendices 1 and 2.
- 1.2 The reasons for variations to the previously approved budgets as detailed in sections 3 and 4.
- 1.3 The latest net revenue budget to be set at £9.72m for 2015/16 as outlined in paragraphs 3.1 and 3.6.
- 1.4 The general fund balance and transfers sought to and from general reserves outlined in paragraphs 5.3 and 5.4.

**Key Financial Performance Indicators: the following is recommended to be submitted to Full Council to note:-**

- 1.5 The current financial performance on key revenue financial indicators, as shown in section 6 and Appendix 3.

**2 REASON/S FOR RECOMMENDATION**

General Fund Revenue Budget

- 2.1 The Council approved a General Fund Revenue Budget of £10.33m in February 2015. The actual position compared to this budget is continuously monitored by Managers, the Leadership Team and Portfolio Holders, in order to identify all significant emerging variances of expenditure or income from the approved amounts contained in the budget.
- 2.2 The purpose of this report is to update the Executive on the quarter 2 (1st April to 30th September) 2015/16 forecast outturn and highlight any significant factors giving rise to variances.
- 2.3 The report outlines allocations for supplementary estimates (endorsed unplanned expenditure), proposals to return underspends generated within the service to general balance and transfers to and from general reserves. It should be noted that these proposals are to allow the budget, as agreed by

Council, to be met and maximise the use of available sums. Endorsement is sought from the Executive to recommend the latest net revenue budget for 2015/16, and general reserve transfers to Full Council on 15 December.

### Capital Programme

A Capital Programme totalling £4.01m, covering 2015/16, was approved at the 28 July 2015 Council meeting. Of this total, £3.67m is estimated to be expended in 2015/16. This report provides an up to date position on how projects funded through the capital programme are progressing.

## **3 OVERALL FINANCIAL POSITION – REVENUE**

- 3.1 The forecasted quarter 2 general fund expenditure outturn (after reserve movements) is £9.72m, which is a favourable variance of £610,330 (c.6%) against the original budget of £10.33m. A breakdown of revenue monitoring by each portfolio is set out in Appendix 1 and summarised in the table below.

<u>Portfolio</u>	<u>2015/16 Original Budget</u>	<u>Q2 Actual YTD</u>	<u>Forecast Outturn &amp; Latest Budget</u>	<u>Variance (Budget to End of Year Forecast)</u>
	£	£	£	£
Leader	1,682,900	808,569	1,580,500	(102,400)
Finance	1,155,261	852,009	1,131,061	(24,200)
Enterprise	948,100	315,397	758,700	(189,400)
Planning	277,100	60,255	145,400	(131,700)
Environment	3,270,300	615,606	3,290,600	20,300
Community	1,846,400	327,401	1,708,800	(137,600)
Governance	1,451,930	818,304	1,106,600	(345,330)
Centrally Held Vacancy Factor	(300,000)	-	-	300,000
<b>Total</b>	<b>10,331,991</b>	<b>3,797,541</b>	<b>9,721,661</b>	<b>(610,330)</b>

- 3.2 In achieving the position above there are a number of both favourable and adverse variances to bring to your attention and, where the overall variation to budget exceeds £25,000 or 5% of the budget, the recovery plans in place to ensure that adverse variances are bought back in-line are outlined.
- 3.3 The main factors that are contributing to the reduction of C.£617,000 in the overall net expenditure are:-

- Staffing - Expenditure on salaries (excluding the environment portfolio) is expected to be circa £523,000 less than original budget as a result of current vacancy levels.
- Planning - Income from pre application planning advice is expected to exceed the original budget by £23,000 due to a higher demand for the service than anticipated (£13,000 higher than prior year).
- Pest Control - Take up of the new pest control contract has been slower than expected. It is anticipated that the service provision should increase with additional marketing. Current forecast is that the budget will be underspent by about £20,000.
- Fees and Charges - Income from Planning and Building Control fees and charges is expected to generate £40,000 more than originally budgeted (£63,000 less than last year).
- Car Parking - Income from car park pay and display machines is expected to generate £11,500 more than the original budget (£44,600 more than last year).

3.4 The key factors that are contributing to the increase of C.£7,000 in the overall net expenditure are:-

- Car Parking - Whilst pay and display income is expected to exceed original budget, income generated from car parking season tickets and permits, is expected to be about £7,000 short of the original budget (£15,000 less than prior year).
- Waste - The cost of processing waste through the Materials Recycling Facility is expected to cost the authority approximately £340,000. The market for recycling has collapsed and, therefore, this has impacted on the price of the new contract resulting in what was once an income generation to now becoming a cost for the authority. This was unknown when the original Council budget was set.

#### The Recovery Plan

- A range of in-year mitigations have been identified and efficiencies generated to contain the impact within the overall portfolio budgets. These measures consist of the following:-
  - reviewing vacancies and, where appropriate, freezing non-essential recruitment (£180,000);
  - removal of the grounds maintenance contingency (£50,000);
  - Contract efficiencies derived through the renegotiated waste and street scene contract (£100,000); and the renewal of the insurance policy (£10,000).

Collectively these measures have yielded £340,000 which can be sustained as ongoing mitigation for the pressure in current and future years. There are also a number of smaller variances, both positive and negative, that contribute to the overall outturn.

- 3.5 Within service areas there are budget headings which are considered significant to the overall financial position of the authority. An example of this would be salaries, which account for 57% of total expenditure, or significant income streams such as planning fees or parking. These key financial indicators are summarised in Appendix 3.
- 3.6 The position above has been closely monitored and forms the basis upon which the latest 2015/16 budget of £9.72m (see paragraph 3.1) is built and being considered as part of the medium term resource strategy.

**Endorsement is sought for the supplementary estimate of £340,000 offset by the measures outlined in the recovery plan (paragraph 3.4) and approval is sought to establish the latest budget above (endorsing the underlining virements) and continue residual in-year monitoring to this new baseline.**

#### **4 OVERALL FINANCIAL POSITION – CAPITAL**

- 4.1 The Capital Programme approved by Council in January 2015 has been updated to take account of further approval received from Council in July to reflect 2014/15 slipped schemes (where planned expenditure did not occur last year) into 2015/16 and the addition of new schemes to the programme. The revised budget for capital projects in 2015/16 totals £4.01m.
- 4.2 The forecasted outturn on the programme as at quarter 2 is £3.67m (92%); this is a variance of £338,574 against the original budget. The table at appendix 2 summarises the expenditure by programme.

The variance for 2015/16 is mainly attributable to the following:-

- ICT - £15,600 for purchase of IPad's, not expected to be used.
- Home maintenance, adaptation and Disabled Facility Grants - Delivery profile slower than anticipated, review underway to determine the residual requirement for 2015/16.
- Pavilion Refurbishments - £30,000 remains unallocated as there are currently no detailed plans for the works; scheme subject to review.
- Rayleigh and Rochford Office Accommodation works – Pending a decision on office accommodation for officers.
- Hall Road Cemetery – Plans for Hall Road cemetery are currently under review and no expenditure is anticipated within this financial year.

Capital Financing

- 4.3 The overall forecasted outturn can be contained within the funds earmarked for the 2015/16 Capital Programme (see appendix 2) and is largely funded by capital receipts of £1.61m, specific grants of £450,000 and residual £1.61m will be funded by the optimum balance of internal resources, to minimise the need for borrowing (internal or external).

Budget rebasing and future years

- 4.4 The capital programme was essentially established prior to the development of the Business Plan with themes which give a renewed focus on capital investment. Capital programmes can generally be categorised into 3 high level investment types:- Invest to Grow, Invest to Save and Invest to Maintain; and a programme with the optimum combination of projects should be the ambition.
- 4.5 In overall financial terms, 70% of the forecasted expenditure has been incurred as at quarter 2. Excluding the purchase of fleet vehicles and wheeled bins procured early in the year (in connection with the newly negotiated refuse contract), the residual programme indicates that only c.11% of the forecasted outturn has been expended. This is significantly below mid-year profiles for schemes anticipated to be delivered in 2015-16.
- 4.6 In view of the points above further work will be undertaken to more accurately profile residual project plans and determine what, if any, risk exists on the delivering of the programme on time and within latest budget. A schedule of all non-contractually committed funds will be presented to the newly established Investment Board to re-baseline the programme. This will assist in achieving the optimum programme that represents the key priorities of the Council whilst maximising the funding resources that are available.

**5 ADDITIONAL FINANCIAL INFORMATION**Movements in Key Reserves

- 5.1 The Medium Term Financial Plan made a provision for the transfer of £957,000 into general reserves, subject to the overall revenue financial envelope being contained. Further increases in reserves could result from the redirection of the forecasted 2015/16 revenue underspend of £610,330; giving rise to a potential £1.567m movement in reserves. Whilst these are mid-year forecasts it is proposed that expenditure be contained within the revised forecasted envelope and that these residual funds be removed from the revenue account.
- 5.2 The statement and narrative below summarises the proposed application:-

	Current Balance	In Year Movement	Indicative Closing Balance
	£	£	£
Revenue Account Underspend	610,330	(610,330)	-
Revenue Account earmarked transfer to Reserves	957,000	(957,000)	-
General Fund	806,000	264,330	1,070,330
**Capital Financing reserve	-	1,303,000	1,303,000
*Capital Grants Unapplied	986,000	-	986,000
<b>Total</b>	<b>3,359,330</b>	<b>-</b>	<b>3,359,330</b>
<p>* Closing balance will be dependent on the level of capital expenditure incurred in year.</p> <p>** A new reserve for capital financing will be created.</p>			

5.3 The Councils General fund reserve as at Q2 is £806,000. This reserve is held for two main purposes:-

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing; and
- a contingency to cushion the impact of unexpected events or emergencies

**Approval is sought to transfer £264,330 to the General Fund reserve increasing the balance to £1,070,330, 11% (based on revised budget of £9.7m) of the overall budget.**

The Capital grants unapplied reserve as at Q2 2015/16 is £986,000. This contains £467,000 of ring fenced funding not being applied to deliver the current capital programme. One example of ring fenced funding is Section 106 income received from developers; this is to be used on specific projects agreed as part of a planning agreement. It is proposed that, out of the balance of capital grants available, an amount of £450,000 is utilised to finance the capital programme. The residual £69,000 relating to Disabled Facility Grant income will be carried over into future years.

**Approval is sought to transfer £1.303m from the revenue account surplus to the earmarked Capital Financing reserve, creating a new reserve of £1.303m.**

5.4 The current capital programme forecast of £3.669m (Appendix 3) will be funded with: carried forward usable capital receipt reserves of £1.613m, a Capital financing reserve of £1.303m (if approved) and available capital grants of £0.450m; leaving a balance of £0.304m to be financed from General Fund

balances or from the balance capital grants available where it can be demonstrated that the prevailing conditions have been met.

## **6 KEY FINANCIAL PERFORMANCE**

- 6.1 The Council's target for paying invoices within terms is 98.6%. At the end of quarter 2 performance remains strong with 97.22% paid on time (98.35% Q2, 2014/15). The full year for 2014/15 was 98.92%.
- 6.2 The collection of Council Tax has improved from last year's 52.5% to 55.5% as at quarter 2; whilst Business Rates collection has dropped slightly from 56.3% last year to 55.02% as at quarter 2.
- 6.3 Further financial performance indicators are outlined in Appendix 3.

## **7 RISK IMPLICATIONS**

- 7.1 Various projects within the Council's revenue budget and capital programme are supported by time-limited grants. Where there are delays to the implementation of these projects there is the risk that the associated grants will be lost. If this occurs either the projects will be aborted or a decision to divert resources from other Council priorities will be required.
- 7.2 Current economic conditions still have the potential to adversely affect some of our major income streams, such as Building Control and Development Control income. Decrease in activity may lead to reductions in income. In addition, delays in completing some items on the Capital Programme could prevent the Council from achieving its strategic objectives and lead to adverse publicity.
- 7.3 Regular monitoring of those budgets with the higher risk considerations will assist in providing early warnings to enable mitigation plans to be developed.

## **8 RESOURCE IMPLICATIONS**

- 8.1 The financial implications are dealt with in the body of the report.

## **9 LEGAL IMPLICATIONS**

- 9.1 It is a legal requirement under s25 of the Local Government Act 2003 to set a balanced budget and monitor the financial position throughout the year.

I confirm that the above recommendation does not depart from Council policy and that appropriate consideration has been given to any budgetary and legal implications.

LT Lead Officer Signature:



**Section 151 Officer**

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**Background Papers:-**

None.

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If you would like this report in large print, Braille or another language please contact 01702 318111.



## FINANCIAL MANAGEMENT REPORT

FORECAST YEAR-END POSITION FOR 2015/16 AS AT END OF SEPTEMBER 2015PORTFOLIO HOLDER: LEADER, CLLR T G CUTMORE

Service Area	Lead Officer	2015/16 Original Budget £	Quarter 2 Actual YTD £	Forecast Outturn / Latest Budget £	Variance (surplus) / Deficit) £	Comment
Chief Executive's Office	A Dave	179,200	71,200	141,700	(37,500)	Primarily due to salary for Personal Assistant, now shown under the heading Leadership Support Team.
Corporate Management	A Dave	106,500	59,244	83,700	(22,800)	Lower than originally anticipated external auditor fees - £22,800
Directors	A Dave	180,300	89,937	182,700	2,400	
Assistant Directors	A Dave	674,700	333,904	582,800	(91,900)	*Note
Leadership Support Team	A Mowbray	141,000	79,124	163,800	22,800	Additional cost from movement of PA from Chief Executives Office.
Registration of Electors	J Bostock	78,300	35,369	78,600	300	
Conducting Elections	J Bostock	121,500	46,563	118,100	(3,400)	

Service Area	Lead Officer	2015/16 Original Budget £	Quarter 2 Actual YTD £	Forecast Outturn / Latest Budget £	Variance (surplus) / Deficit) £	Comment
Corporate Policy & Partnerships	A Law	201,400	77,619	195,200	(6,200)	*Note
Safeguarding	Vacant	-	15,609	33,900	33,900	Cost for this service area was amalgamated within Housing Strategy at Original budget; now separated for greater transparency.
	<b>TOTAL</b>	<b>1,682,900</b>	<b>808,569</b>	<b>1,580,500</b>	<b>(102,400)</b>	

**\*Note** As part of the budget setting process, a target salary savings was set based on expected staff turnover. These forecast underspends show the achievement of the salary savings by individual service areas.

**PORTFOLIO HOLDER: FINANCE, CLLR S P SMITH**

Service Area	Lead Officer	2015/16 Original Budget £	Quarter 2 Actual YTD £	Forecast Outturn / Latest Budget £	Variance (surplus) / Deficit £	Comment
Financial Services	D Murray	361,700	171,395	348,800	(12,900)	*Note
Risk & Performance Management	D Murray	67,100	33,772	66,500	(600)	
Procurement	M Harwood – White	42,500	9,650	27,800	(14,700)	*Note
Audit	Angela Law	64,200	32,431	68,200	4,000	
Central & Other operating cost	D Murray	619,761	604,761	619,761	-	
	<b>TOTAL</b>	<b>1,155,261</b>	<b>852,009</b>	<b>1,131,061</b>	<b>(24,200)</b>	

**\*Note** As part of the budget setting process, a target salary savings was set based on expected staff turnover. These forecast underspends show the achievement of the salary savings by individual service areas.

**PORTFOLIO HOLDER: ENTERPRISE, CLLR M J STEPTOE**

<b>Service Area</b>	<b>Lead Officer</b>	<b>2015/16 Original Budget</b> £	<b>Quarter 2 Actual YTD</b> £	<b>Forecast Outturn / Latest Budget</b> £	<b>Variance (surplus) / Deficit)</b> £	<b>Comment</b>
Estate Management Services	M Harwood – White	94,800	58,002	94,300	(500)	
Economic Development	M Harwood – White	85,000	30,203	71,100	(13,900)	*Note
Off St Parking	M Hotten	(870,300)	(415,081)	(876,600)	(6,300)	Income from Pay & Display charges is expected to exceed original budget
Office Accommodation Rochford	M Harwood – White	278,400	91,379	277,800	(600)	
Office Accommodation Rayleigh	M Harwood - White	69,100	41,692	68,900	(200)	
Computer Services	A Mowbray	1,170,100	458,540	1,021,000	(149,100)	*Note
Communications	A Mowbray	121,000	50,662	102,300	(18,700)	*Note

Service Area	Lead Officer	2015/16 Original Budget £	Quarter 2 Actual YTD £	Forecast Outturn / Latest Budget £	Variance (surplus) / Deficit) £	Comment
	<b>TOTAL</b>	<b>948,100</b>	<b>315,397</b>	<b>758,800</b>	<b>(189,300)</b>	

**\*Note** As part of the budget setting process, a target salary savings is set based on expected staff turnover. These forecast underspends show the achievement of the salary savings by individual cost centre.

**PORTFOLIO HOLDER: PLANNING, CLLR I H WARD**

Service Area	Lead Officer	2015/16 Original Budget £	Quarter 2 Actual YTD £	Forecast Outturn / Latest Budget £	Variance (surplus) / Deficit) £	Comment
Building Control Client Account	S Scrutton	189,800	94,307	154,300	(35,500)	*Note
Building Control Fee Account	S Scrutton	(230,000)	(124,530)	(240,000)	(10,000)	Income from Building Control is expected to be about £10,000 more than original budget
Planning Policy	S Scrutton	186,900	85,230	145,100	(41,800)	*Note
Development Management	S Scrutton	130,400	5,248	86,000	(44,400)	Additional income from Planning Applications and pre application planning advice. A couple of major developments have utilised the pre-application advice service which has generated more income than originally expected.
	<b>TOTAL</b>	<b>277,100</b>	<b>60,255</b>	<b>145,400</b>	<b>(131,700)</b>	

**\*Note** As part of the budget setting process, a target salary savings is set based on expected staff turnover. These forecast underspends show the achievement of the salary savings by individual cost centre.

**PORTFOLIO HOLDER: ENVIRONMENT, CLLR MRS J E MCPHERSON**

Service Area	Lead Officer	2015/16 Original Budget £	Quarter 2 Actual YTD £	Forecast Outturn / Latest Budget £	Variance (surplus) / Deficit) £	Comment
Parks & Open Spaces	M Hotten	984,100	213,213	873,600	(110,500)	*Note.
Environmental Health	Vacant	331,900	104,409	240,700	(91,200)	*Note. In addition, the take-up of the new pest control service has been very slow, with underspend against original budget expected to be c.£20,000.
Public Health	Vacant	28,600	7,354	28,600	-	
Public Conveniences	M Hotten	108,200	19,958	97,900	(10,300)	
Street Cleansing	M Hotten	879,800	163,360	726,700	(153,100)	*Note, plus re-alignment of some officers to Recycling Collection. In addition contract savings of £57,000 has been achieved through the purchasing of new vehicles by the authority.
Recycling Collection	M Hotten	2,040,800	416,864	2,091,800	51,000	Re-alignment of some officers from Street Cleansing to Recycling Collection

Service Area	Lead Officer	2015/16 Original Budget £	Quarter 2 Actual YTD £	Forecast Outturn / Latest Budget £	Variance (surplus) / Deficit) £	Comment
Recycling Disposal	M Hotten	(1,107,800)	(300,308)	(774,300)	333,500	It is anticipated that the material recycling facility will cost the authority in the region of £340,000 (see paragraph 3.4). This was unknown at original budget setting.
Depot	M Hotten	51,900	30,729	51,900	-	
Highways/ Roads Routine	M Hotten	1,400	1,531	1,400	-	
Coast Protection	M Hotten	2,100	2,100	2,100	-	
Emergency Planning	M Hotten	46,000	19,747	48,800	2,800	
Cemeteries & Churchyards	M Hotten	(96,700)	(63,351)	(98,600)	(1,900)	
	<b>TOTAL</b>	<b>3,270,300</b>	<b>615,606</b>	<b>3,290,600</b>	<b>20,300</b>	

**\*Note** As part of the budget setting process, a target salary savings is set based on expected staff turnover. These forecast underspends show the achievement of the salary savings by individual cost centre.



**PORTFOLIO HOLDER: GOVERNANCE, CLLR MRS C E ROE**

Service Area	Lead Officer	2015/16 Original Budget £	Quarter 2 Actual YTD £	Forecast Outturn / Latest Budget £	Variance (surplus) / Deficit) £	Comment
Legal Services	A Law	156,000	128,693	187,900	31,900	New Corporate Solicitor post agreed after original budget set.
Hackney Carriage	A Law	(76,600)	(36,706)	(93,100)	(16,500)	Income from Taxi licensing is expected to exceed original budget.
Licensing	A Law	10,100	(21,981)	17,200	7,100	
Local Land Charges	A Law	(183,800)	(95,744)	(188,700)	(4,900)	
Council Tax	D Tribe	(69,000)	(50,335)	(46,600)	22,400	*Note
Housing Benefit Administration	D Tribe	142,600	84,834	54,300	(88,300)	*Note
Business Rates	D Tribe	(67,500)	14,419	(63,900)	3,600	
Housing Benefits Payments	D Tribe	(152,870)	24,591	(205,800)	(52,930)	Actual YTD figure is based on a more favourable 15.27% recovery rate of overpaid housing benefit. Year end forecast is based on mid year subsidy claim form.

Service Area	Lead Officer	2015/16 Original Budget £	Quarter 2 Actual YTD £	Forecast Outturn / Latest Budget £	Variance (surplus) / Deficit) £	Comment
Revenues Investigation Section	D Tribe	131,200	62,428	69,700	(61,500)	The Revenues and investigation function will be transferred to the Department for work and Pensions in October 2015. Majority of savings are on staffing.
Member & Committee Services	J Bostock	468,400	226,078	430,400	(38,000)	*Note
Overview	A Law	41,500	20,046	40,600	(900)	
Information	A Law	27,700	9,233	20,200	(7,500)	*Note
Health & Safety	A Law	27,600	15,448	29,300	1,700	
Support Services	J Bostock	450,800	170,153	310,400	(140,400)	*Note. In addition there are savings of £10,000 expected against original budget on printing costs.
Customer Services	D Tribe	261,600	113,685	250,800	(10,800)	*Note
Human Resources	A Mowbray	157,900	99,119	166,300	8,400	Additional salary cost due to extra staff employed on a temporary basis to undertake essential work e.g. Equal pay audit,
Reception	D Tribe	126,300	54,343	127,600	1,300	

Service Area	Lead Officer	2015/16 Original Budget £	Quarter 2 Actual YTD £	Forecast Outturn / Latest Budget £	Variance (surplus) / Deficit) £	Comment
	<b>TOTAL</b>	<b>1,451,930</b>	<b>818,304</b>	<b>1,106,600</b>	<b>(345,330)</b>	

**\*Note** part of the budget setting process, a target salary savings is set based on expected staff turnover. These forecast underspends show the achievement of the salary savings by individual cost centre.

**PORTFOLIO HOLDER: COMMUNITY, CLLR MRS J R LUMLEY**

Service Area	Lead Officer	2015/16 Original Budget £	Quarter 2 Actual YTD £	Forecast Outturn / Latest Budget £	Variance (surplus) / Deficit) £	Comment
Culture & Heritage – Windmill	M Harwood – White	16,700	(9,532)	16,700	-	
Leisure Premises	M Harwood – White	816,100	110,605	810,700	(5,400)	
Sports Development & Promotion	M Harwood – White	3,000	16,503	26,300	23,300	Re-alignment of one officer from another service area
Leisure Client Account	M Harwood – White	11,200	24,220	7,900	(3,300)	
Housing Strategy	Vacant	53,200	8,219	11,900	(41,300)	*Note
Private Sector Housing Renewal	Vacant	411,200	41,941	382,500	(28,700)	*Note
Homelessness	Vacant	425,900	108,801	409,200	(16,700)	Recharged Bed and Breakfast costs higher than anticipated.to whom?
Community Safety	Vacant	109,100	26,644	43,600	(65,500)	*Note
	<b>TOTAL</b>	<b>1,846,400</b>	<b>327,401</b>	<b>1,708,800</b>	<b>(137,600)</b>	

**\*Note** As part of the budget setting process, a target salary savings is set based on expected staff turnover. These forecast underspends show the achievement of the salary savings by individual cost centre.

## QUARTER 2 CAPITAL MONITORING REPORT 2015/16

	Portfolio	Approved 2015/16	Actual 2015/16	End of Year Forecast	Comments
<b>Information &amp; Communications</b>					
ICT Strategy	Enterprise	385,600	81,866	370,000	£85,000 was brought forward from 2014/15 to pay for:  Back up and storage Upgrade to online mapping system.  £300,000 is for a refresh of our server environment and the purchase of iPads for officers and Members.  Works should be completed by the end of Q3 2015/16 except for purchase of iPads which are demand led.
<b>Vehicles and Equipment</b>					
Wheelie Bins	Environment	55,000	35,960	55,000	Demand Led  Allocation is for the purchase of wheelie bins in

	Portfolio	Approved 2015/16	Actual 2015/16	End of Year Forecast	Comments
					connection with the renegotiated recycling contract. Allocation will only be used for bin broken or damaged bin replacement.  A review of the storage arrangements is on hold pending the depot facility replacement works.
Vehicle Replacements	Environment	30,500	75,566	75,566	An Iveco Tipper waste vehicle has been purchased, using carried forward budget from the 2014/15 replacement programme.
Waste Vehicles	Environment	2,388,782	2,385,802	2,385,302	This budget was to purchase a fleet of waste vehicles for the main recycling collection contract to enable revenue savings.
Cemetery Equipment	Environment	10,000	-	1,000	To be used on the purchase of a storage container. Planning permission required, plans will be drawn up this financial year, but most of the expenditure

	Portfolio	Approved 2015/16	Actual 2015/16	End of Year Forecast	Comments
					will slip into 2016/17
Replacement Telephony system	Governance	11,900	10,806	10,806	This budget was a carry forward unspent provision from 2014/15 for outstanding works.
Equipment Replacement Programme	Governance / Enterprise	18,900	16,083	16,083	This programme of works includes the replacement of document scanning devices and system works to develop customer payment options.
<b>Operational Assets</b>					
Cemeteries	Environment	71,100	300	5,000	The majority of this budget £66,600 remains unallocated. £4,500 is for Hall Rd cemetery resurfacing works, completion is still expected within the financial year.
Depot	Environment	400,000	57,377	315,000	Allocated for the permanent replacement of buildings. Initial works will begin in Q2 of 2015/16. Some orders have been raised and committed for the work to be

	Portfolio	Approved 2015/16	Actual 2015/16	End of Year Forecast	Comments
					undertaken. All work expected to be completed by end of Q4 2015/16.
Rochford Offices	Enterprise	51,200	11,716	20,000	Part (£6,000) of the original allocation was to cover works at No.19 South Street. Pending the future of this building, these works have been removed from the plan.  All other works have been put on hold until all office moves have been completed and a decision on No 19 made.  Should No 19 remain an asset in use, the planned budget will slip into 2016/17.
Rayleigh Offices	Enterprise	26,500	-	-	This budget was allocated for upgrades to lighting. This is currently under review by the Assistant Director.



	Portfolio	Approved 2015/16	Actual 2015/16	End of Year Forecast	Comments
Rayleigh Windmill	Community	8,900	8,167	8,900	£750 – For CCTV replacement not required now and will be adjusted in the next reporting period.
Car Parks	Enterprise	63,000	18,371	63,000	This budget has been allocated for lighting improvement works, and other specific car park alterations.  Total budget expected to be spent by end of Q4 2015/16.
Pavilion Refurbishments	Environment	30,000	-	-	Budget remains unallocated.
<b>Town &amp; Village improvements</b>					
Community Funding	Community	17,050	11,165	17,050	Allocations for 2015/16 agreed.
Signage Enhancements	Environment	9,500	11,151	11,151	To replace and upgrade street nameplates and highway directional signage to our facilities.
<b>Parks &amp; Play Facilities</b>					
Play Spaces	Environment	46,800	2,400	46,800	Report to be written to

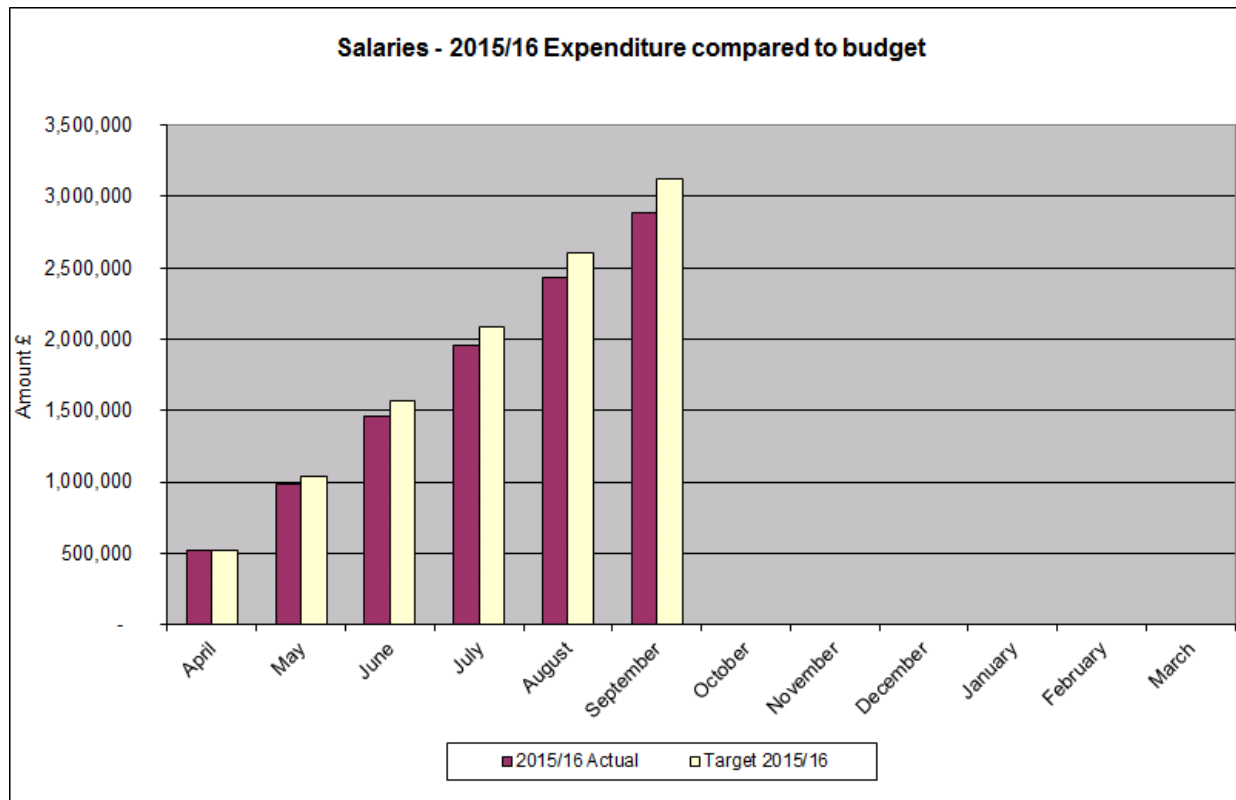
	Portfolio	Approved 2015/16	Actual 2015/16	End of Year Forecast	Comments
					determine further budgeted expenditure.
Hockley Woods	Environment	22,500	2,470	22,500	£2,500 for the completion of staff facilities £20,000 to develop concession facilities
Parks and Open Spaces Programme	Environment	61,100	1,634	61,100	Allocation: £10,000 – Access improvements at Millview meadows, Rochford. This is still planned to be spent in this financial year. £5,000 – Land drainage at Grove Woods. Orders have been raised for this piece of work. £20,000 has been allocated for a skate park in Canewdon Village, this currently with the Parish Council for final approval. The proposal is for the Parish to invest £75,000 into this project RDC members have approved the Rochford

	Portfolio	Approved 2015/16	Actual 2015/16	End of Year Forecast	Comments
					element of the project. £25,000 is for the purchase of a zip wire at Rochford recreational ground, quotes have been received and the works are still planned for this financial year, weather permitting.
<b><u>Externally Funded Projects</u></b>					
Home maintenance and Adaptation Grants	Community	50,000	15,623	35,000	Spend is demand led
Disabled Facilities Grants	Community	250,000	70,706	150,000	Spend is demand led
<b><u>Total Capital Programme</u></b>		<b>4,008,332</b>	<b>2,817,163</b>	<b>3,669,758</b>	
<b><u>Statement of Capital Financing</u></b>					
Capital Grant				300,000	DCLG grant for refuse vehicles
Housing Grant				150,000	Disabled Facility Grant

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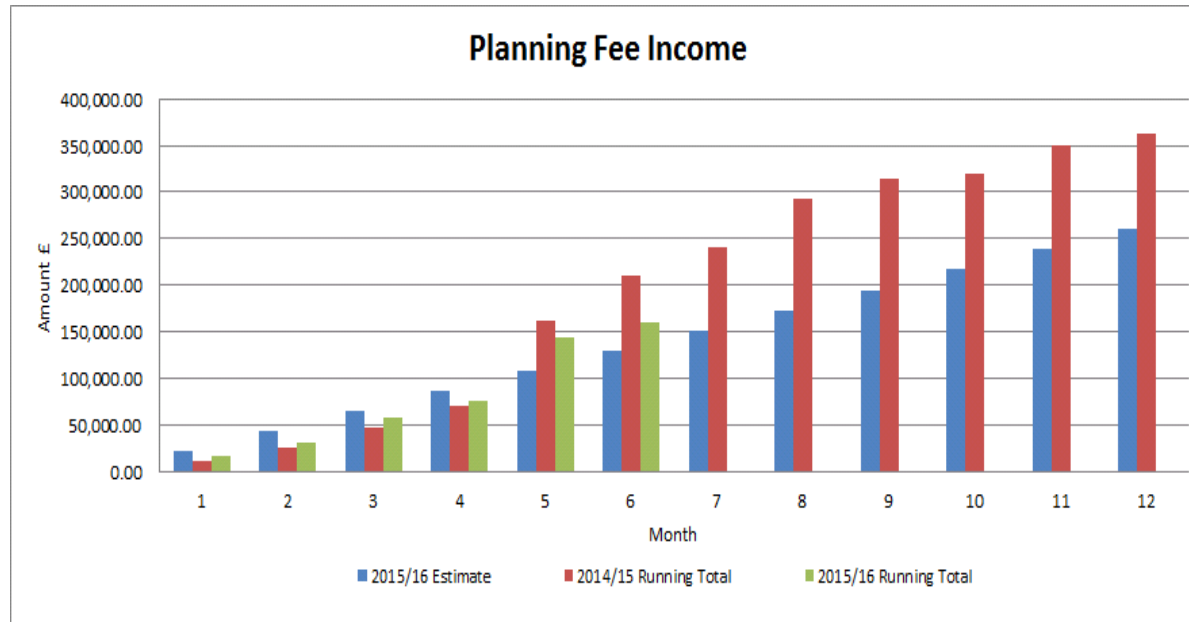
	Portfolio	Approved 2015/16	Actual 2015/16	End of Year Forecast	Comments
Capital Receipts used				1,613,274	B/Forward from 2014/15
Funded Internally				1,606,484	
<b>Total Financing</b>				<b>3,669,758</b>	

## FINANCIAL MANAGEMENT REPORT

KEY FINANCIAL INDICATORS AS AT END OF QUARTER 2SalariesCommentary

Total salaries are estimated at £5.57m (57% of total council budget) which includes an original salary strategy saving of £200,000.

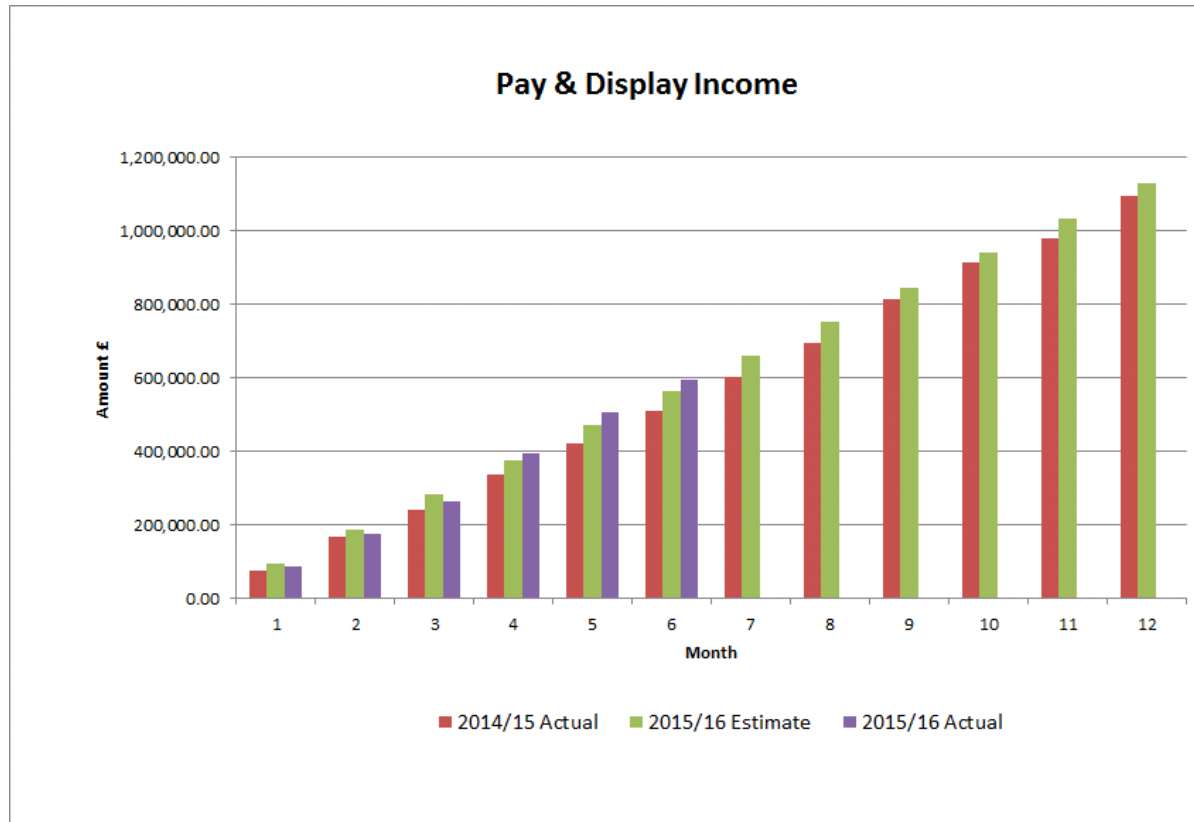
Expenditure on salaries is managed corporately to both reduce employment costs and improve services through better job design;. Total salary savings as at Quarter 2 is forecasted to be around £900,000 based on current recruitment plans (£700,000 after original savings)

**Planning Fees****Commentary**

The original budget for planning fee income is £260,000. This was based on officer assumptions on Planning Applications for 2015/16.

At this stage, the year to date position is over budget by £30,337. With the current number of applications being processed, original budget is expected to be exceeded.

Compared to the same period in previous years, 2015/16 income at £160,337 is down by £49,063 against 2014/15.

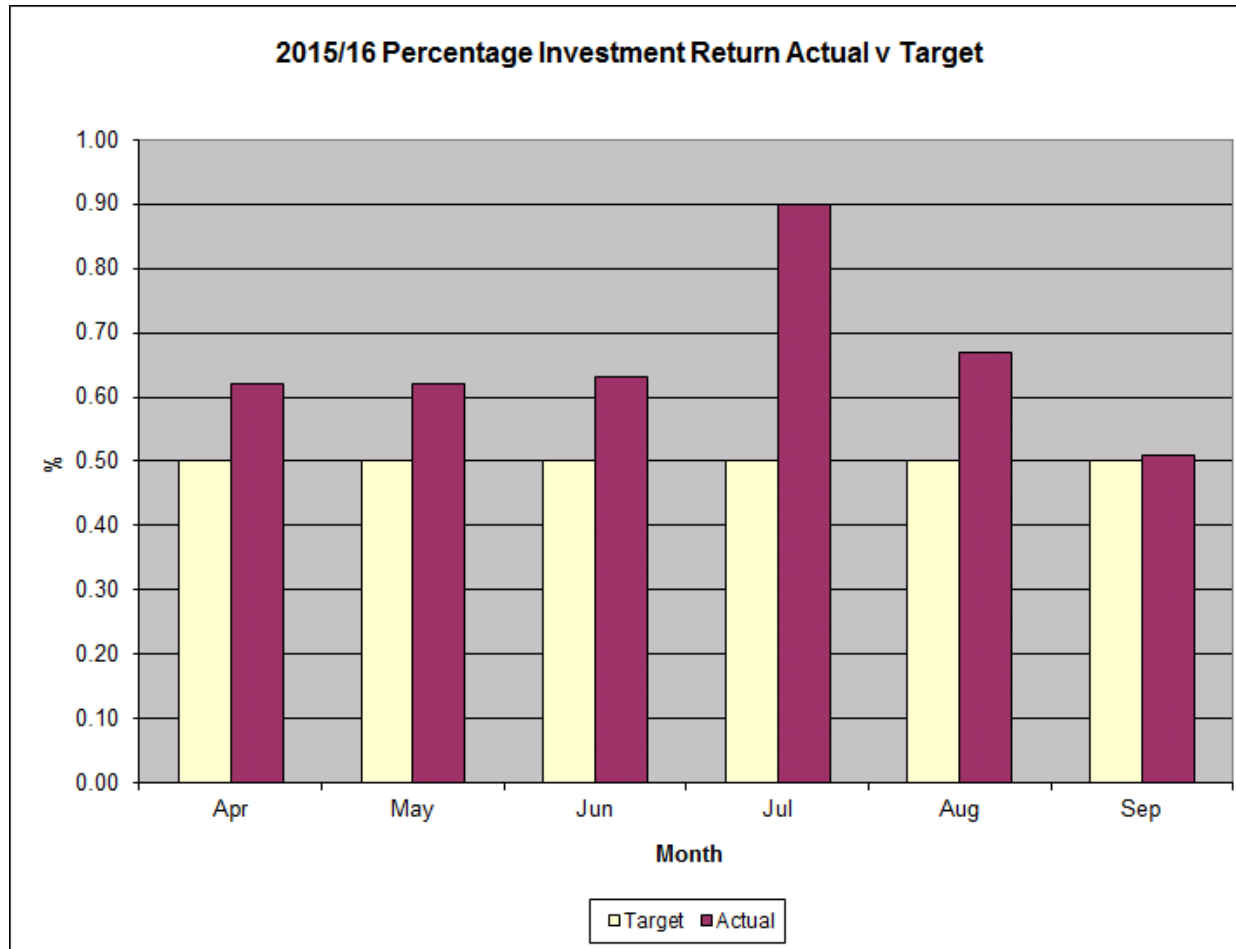
**Parking Fees****Commentary**

The original budget for 2015/16 is £1,128,500.

This budget took into account a tariff increase that came in effect in July 2015.

Income is up £84,029 compared to last year. At £596,026 it is up against the year to date target of £564,250.

At this stage, income is expected to exceed original budget for the year by around £11,500

**Investment Income****Commentary**

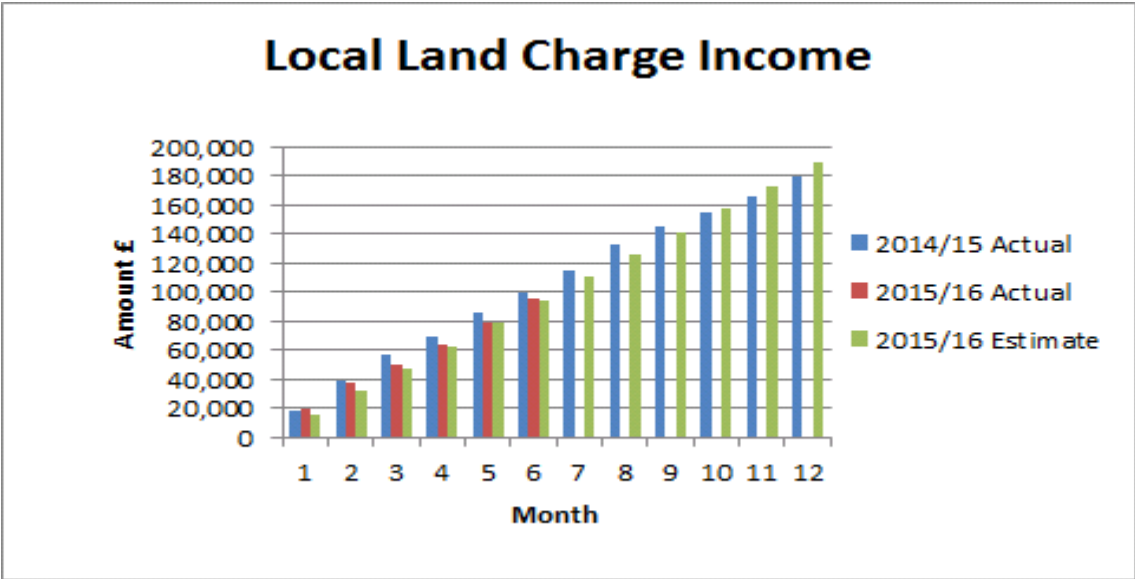
The original estimate for investment income for 2015/16 is £47,000. Current indications are that income from investments will be in down against his budget and are expected to be nearer £40,000.

Current interest rates are between 0.35% and 0.51% for short term deposits. For 12 months deposit we are currently able to get between 0.70% and 1.00%.

The Bank of England base rate is expected to stay at 0.50% for the foreseeable future; indications are that a rise will not occur until Q2 2016/17 at the earliest.



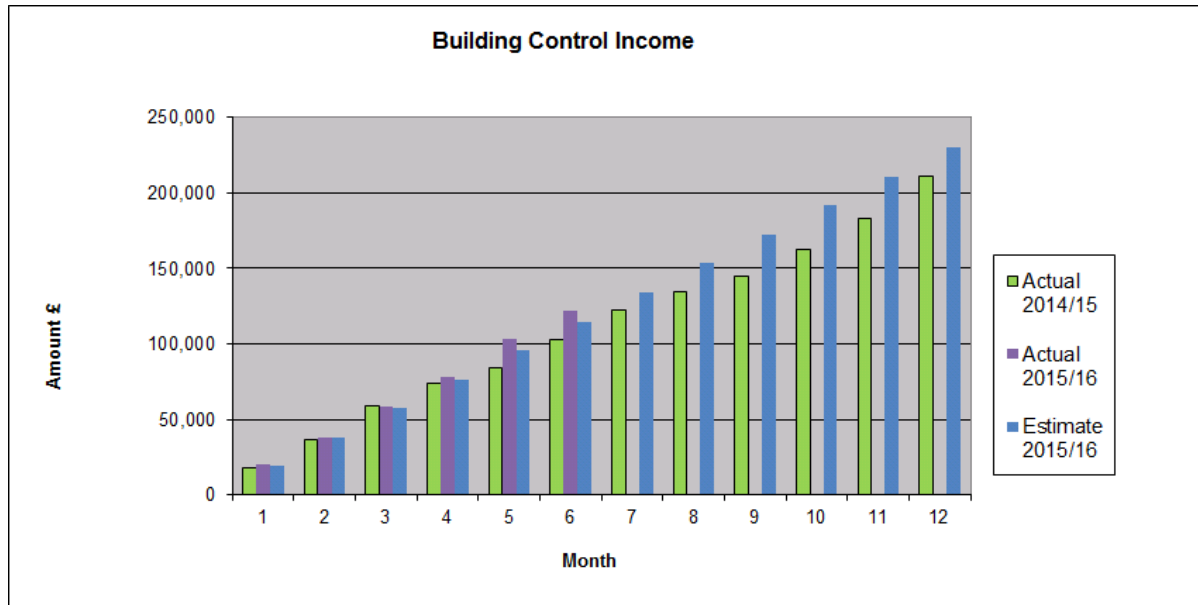
Local Land Charges



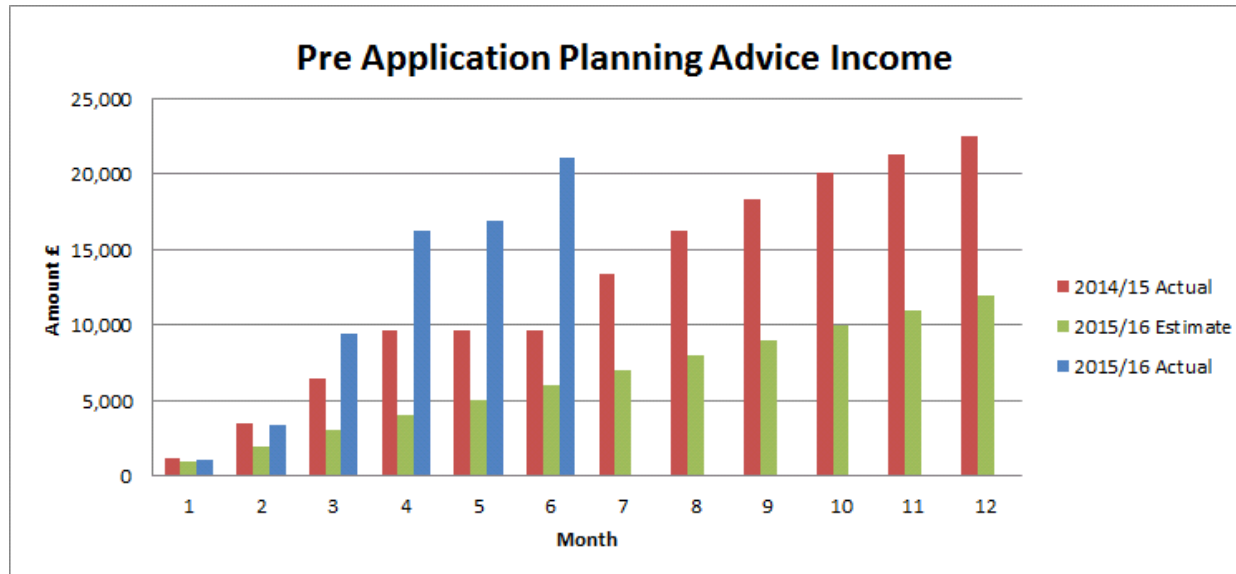
Commentary

The original budget for 2015/16 is £188,700. Income to date is £95,744 against a year to date target of £94,350.

Based on income to date, total Income for the year is forecast to be in line with original budget.

**Building Control Income****Commentary**

The original budget for 2015/16 is £230,000. Income to date is £121,853 against a year to date target of £115,000 this compares to £102,892 for the same period last year. Income is expected to exceed original budget by about £10,000 for the whole year.

Pre Planning Application AdviceCommentary

The original budget for 2015/16 was set at £12,000. This was based on officer assumptions on the take up of this service. Current indications are that Income for the whole year will exceed original budget by about £23,000.

The following table compares income received in the District's car parks for 2015/16 against 2014/15.

<b>Car Park</b>	<b>Financial Year</b>	<b>Income received Q1 £</b>	<b>Income Received Q2 £</b>	<b>Income Received Q3 £</b>	<b>Income Received Q4 £</b>
<b>Webster's Way</b>	<b>2014/15</b>	104,297	119,491	127,937	119,624
	<b>2015/16</b>	113,355	146,554		
<b>Castle Road</b>	<b>2014/15</b>	34,159	37,792	43,915	42,214
	<b>2015/16</b>	32,740	44,770		
<b>Back Lane</b>	<b>2014/15</b>	27,459	31,254	35,881	34,120
	<b>2015/16</b>	31,876	38,111		
<b>Market Car Park</b>	<b>2014/15</b>	16,113	18,484	19,764	19,311
	<b>2015/16</b>	16,844	22,296		
<b>Bellingham Lane</b>	<b>2014/15</b>	32,919	36,450	39,315	36,961
	<b>2015/16</b>	34,721	43,336		
<b>Southend Road</b>	<b>2014/15</b>	10,599	11,025	13,141	12,624
	<b>2015/16</b>	12,413	14,857		
<b>The Approach</b>	<b>2014/15</b>	5,642	6,495	8,063	7,184
	<b>2015/16</b>	12,277	8,062		
<b>Hockley Woods</b>	<b>2014/15</b>	2,657	4,132	4,686	4,310
	<b>2015/16</b>	4,763	6,101		
<b>Freight House</b>	<b>2014/15</b>	3,690	2,952	4,647	3,621
	<b>2015/16</b>	4,303	3,513		
<b>Old Ship Lane</b>	<b>2014/15</b>	1,559	2,401	2,405	2,119
	<b>2015/16</b>	1,962	2,408		
<b>Total</b>	<b>2014/15</b>	<b>239,094</b>	<b>270,476</b>	<b>299,754</b>	<b>282,088</b>
	<b>2015/16</b>	<b>265,254</b>	<b>330,008</b>		