

**REPORT TO THE MEETING OF THE EXECUTIVE 13 JULY 2011**

**PORTFOLIO: FINANCE AND RESOURCES**

**REPORT FROM HEAD OF FINANCE**

**SUBJECT: MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2011/12 - UPDATE**

**1 DECISION BEING RECOMMENDED**

- 1.1 That the current position on the MTFS be noted.
- 1.2 That the introduction of a fee of £50 for the issuing of covenant certificates be agreed.
- 1.3 That the outline timetable for the 2012/13 budget process, including Member sessions, be agreed.
- 1.4 That a public consultation exercise in preparation for the budget process be agreed.
- 1.5 That the Government's Local Government Resource Review be noted.
- 1.6 That it be agreed that the New Homes Bonus for 2011/12 be put into General Fund balances and that use of any 2012/13 Bonus be considered during 2012/13 budget process.

**2 REASON/S FOR RECOMMENDATION**

- 2.1 When Council agreed the budget for 2011/12 and the MTFS covering the period 2011/12 to 2015/16, it was agreed that the Executive would be kept up to date on progress in delivering the savings. The budget for 2011/12 includes budgeted savings of £1.2 million, against a target of £1.4 million, leaving a budget gap of £220,000.
- 2.2 The MTFS can now be updated in light of the closure of the accounts for 2010/11.

**3 MTFS UPDATE**

- 3.1 There are a number of factors which will affect the MTFS and determine the budget that should be set for 2012/13 and these are summarised below. The MTFS will be continually updated by officers during the budget process, with updates provided to Members either by reporting to the Executive or at the Member Awaydays before next year's budget and revised MTFS is finally approved by Full Council in January 2012.

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**4 2010/11 OUTTURN**

- 4.1 The closure of the accounts for 2010/11 means that the MTFS can be updated with the financial results from last year. The General Fund balance, as at 31 March 2011, is £940,692, which is in line with forecasts. This is after amounts have been set aside in Earmarked Reserves. As the outturn General Fund balance is in line with estimates, there are no changes to the current MTFS forecasts.
- 4.2 There were a number of areas where the final outturn for the year was either over or above budget and the variances greater than £5,000 are contained in Appendix 1. The report is set out in the format used for the quarterly Financial Management Report and shows the outturn compared to the Revised Estimates and also compared to the forecast outturn in the Quarter 3 Financial Management Report.
- 4.3 Underneath, there is then a breakdown of the main variances for those cost centres. The cost centres include some items not normally reported, because they reverse out later in the Accounts. These items are capital charges, internal recharges, the accrual of holiday carried forward into 2011/12 and the accounting entries for pensions under FRS17, and are shown where they have made a significant impact on the individual cost of service.
- 4.4 Across all the cost centres, some variances to be highlighted are:-
- The overall training budget of £128,600, including Member training, was underspent by £34,030 which was due to more on-line learning and sharing the costs of training with other authorities.
  - Staff car allowances and mileage was £7,690 below budget.
  - Overall, salaries were £96,000 lower than the revised estimate.
  - Parking fee income was £12,840 below budget and income from Season Tickets was also below budget by £23,900. Penalty Charge Notice income on car parks was £20,618 below budget which would have been partly due to the bad weather when enforcement activity had to stop and also the lower than expected use of the car parks.
  - The net cost of temporary accommodation for homelessness was £36,835 over budget due to increased demand.
  - Income from Planning fees and Building Control were £52,420 and £37,240 respectively lower than budgeted but the budgets had been set high at revised estimate time and this is a demand led service.
  - Income from burials was £21,100 higher than forecast.
  - In total benefits costs were £10,600 lower than forecast.

- The Grounds Maintenance contract was £20,370 lower than estimate because of an increase in defaults issued.
- The authority has been submitting claims for refunds of VAT going back to the 1970s as court decisions open up new opportunities. The Isle of Wight car parking case is still open but officers were successful in providing sufficient evidence to HMRC, who agreed a claim in relation to leisure and trade waste services. A refund of £204,200 was received, of which £89,200 is accounted for in 2010/11 and the remaining £115,000 will be credited in 2011/12.

## 5 2011/12 UPDATES

- 5.1 £1.2 million worth of savings were identified for the budget for 2011/12 against a target of £1.4m. These savings were incorporated into the budget estimates and will be monitored during the normal budget monitoring and quarterly reporting to the Executive. However, some of these savings were either more challenging or more significant in cost and progress is summarised in Appendix 2. In addition to these savings, as mentioned above, there is a VAT refund of £115,000 to be accounted for in 2011/12.
- 5.2 Officers have continued to keep costs and income under review to identify further opportunities for reducing overall expenditure. When the former Park School site in Rayleigh was redeveloped 42 flats were provided as low cost housing for key workers under the affordable housing requirement of the S106 agreement. The lease for each unit contains covenants which reflect the agreement and these include restrictions on the maximum selling price and the provision of a time limited opportunity for the Council to identify a suitable purchaser. Having regard to the work involved when an owner decides to sell, which includes the issue of a certificate confirming that the terms of the lease have been complied with, it is considered appropriate to levy a charge and it is suggested that a reasonable charge would be £50 where these covenants exist.
- 5.3 The inflation forecasts in the MTFS are based on the Bank of England's forecast. The Bank of England's forecasts were updated in May 2011 and the following table shows the comparison between the forecasts used in the current MTFS and the current forecasts:-

	Consumer Price Index Forecast for Quarter 4 of Calendar Year (%)				
	2011	2012	2013	2014	2015
MTFS Forecast	2.8	1.9	2.0	2.0	2.0
Current Forecast	3.9	2.2	2.0	2.0	2.0

The increase in inflation will affect those contracts with index linked increases and the potential cost is an additional £120,000.

- 5.4 The Financial Management quarterly budget monitoring report will be prepared after the end of the first quarter. Because of the timing of Executive meetings, it will be presented to the Portfolio Holder so that it can be published in a timely fashion rather than waiting for the September meeting. This report will give a indication of how the 2011/12 spend and income streams are performing against budget.

## **6 NEW HOMES BONUS**

- 6.1 The final details of this Government incentive to encourage more homes was published after the Council set its budget. The grant is based on the increase in number of new houses and bringing empty homes back into use. The grant matches Council Tax for six years, with 80% being received by the District Council, as the Planning Authority, and 20% going to the County. The growth in housing is measured from a statistical return which reports the Council Tax base as at October each year, which then determines the grant for the following financial year. For 2011/12 the increase in housing stock was the equivalent of 49 Band D properties plus 57 empty properties brought back into use. This means that the grant for 2011/12 will be £116,801, which amounts to £700,804 to be received over the six years.
- 6.2 £946 million has been set aside by the Government over the spending review period for this purpose. In 2011/12 this amounts to almost £200 million (equivalent to 140,000 homes) and £250 million (equivalent to 170,000 homes) in each of the remaining years. Funding beyond these levels will come from the formula grant (revenue support grant and re-distributed NNDR), creating a risk that formula grant will be top-sliced in order to fund any shortfalls in grants for the New Homes Bonus.
- 6.3 Council's policy for external grants is to not budget for them until confirmation of amounts is received, so the estimated grant is not included in the MTFS. The grant is not ring-fenced so councils are free to decide how to spend the money. The final scheme design published by the Government sets out the Government's aims for what the New Homes Bonus will achieve. It is seen as a key part of a wider framework of incentives to support growth. The Government would like local communities to see the economic and social benefits of having the housing they want. Communities could benefit from reductions in Council Tax, re-developed town centres or a new community centre or play park as a consequent of accepting new homes. The Government's view is that it will be up to local communities to decide. However, it is not intended to encourage housing development which would otherwise be inappropriate in planning terms. The Government expects local councillors to work closely with their communities and in particular the neighbourhood's most affected by housing growth, to understand their priorities for investment and to communicate how the money will be spent and the benefits it will bring.
- 6.4 At this stage, other authorities' plans for how they may spend the bonus are not yet clear, but range from either using it to support the general fund, as a

contingency against non-delivery of planned savings or for one-off projects, perhaps linked to the Big Society. There is a general concern among finance officers that any future increase in the New Homes Bonus will be offset by reductions in the formula grant and so will not end up being additional income. Therefore, at this stage, the Council will continue not to budget for any additional grant in future years.

- 6.5 In view of the uncertainty over future Government funding from 2013/14 and the risk that some of the additional savings and income will not be delivered, it is proposed that the 2011/12 Bonus is allocated to General Fund balances. However, it is also noted that there may be planning or housing requirements arising from the Localism Bill and, if these have financial implications, it is proposed that they would be given priority for any funding from the New Homes Bonus.

## 7 2012/13 BUDGET PROCESS

- 7.1 Work will now begin on preparing the 2012/13 budget. The high level timetable is set out below but detailed project plans and risk assessments are also being updated:

Activity	Date
Executive - Set out MTFS framework and timetable	13 July
Draft Divisional Plans completed	By 30 September
Budget SMT	19 October
Joint SMT/Executive Preparation for meeting on 1 November.	28 October
Special Council Budget Session - SMT are invited. This uses an existing training session.	1 November
NNDR Formal Consultation – Date to be confirmed.	Week beginning 7 November
Member Awayday	26 November
Revised Estimates for 2011/12 agreed by Council Grants to voluntary organisations considered	13 December
Budget SMT	4 January
Joint SMT/Executive	5 January
Member Awayday	14 January
Council - Budget Setting	31 January
Council – Council Tax	21 February

- 7.2 Last year, two additional evening Member sessions were held in December and January and it is proposed to repeat this approach this year with one session booked in now and a second session to be arranged if necessary later in the year.
- 7.3 As part of the 2011/12 budget process £196,000 of savings/income were identified for 2012/13. At this stage there are no major changes to the MTFS so, for 2012/13, there is a budget gap of £704,000 to be addressed with a further gap of £100,000 in 2013/14. This is based on the current MTFS assumptions regarding, for example, Government Funding. A significant contribution to the savings target is expected to be the ICT contract which is currently out to tender. Once tenders have been received and evaluated, the MTFS can be updated.

## **8 PUBLIC CONSULTATION**

- 8.1 The budget survey conducted last year for the 2011/12 budget process provided some clear and consistent messages about what residents felt were high priority services. It would be useful if the Council continued to seek the views of residents on their high priority services against those which are not valued so highly. The possible avenues, all of which could be utilised, are:-
- Ongoing short surveys using the online Rochford District Matters
  - The 'Have Your Say' panel
  - Using the Autumn edition of Rochford District Matters to seek views
  - Using the Autumn Community Forums to gather views
- 8.2 The aim of the consultation would be to gain clearer understanding of what services residents would wish to see retained and also the level of service quality.

## **9 LOCAL GOVERNMENT FINANCE REVIEW**

- 9.1 For this year's budget process a key factor will be the Government's review of Local Government financing for 2013/14 onwards. A consultation is currently underway and the Terms of Reference are attached at Appendix 3. The Local Government Resource Review should give local authorities an opportunity to influence the way they are funded and is looking at alternatives to the current Formula Grant method.
- 9.2 The proposals regarding localising business rates and using this to incentivise local economic growth raise a number of interesting and technical issues. As the Essex local authorities want to maximise our influence, a common approach is being considered and Essex Finance Officers and Chief Executives are working together on a submission to Government.

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- 9.3 As part of this work a number of issues have been identified. It's worth noting that, at this stage, any discussion about proposals for localising Business Rates or making changes to local government funding are speculative. In 2011/12 this Council will collect £14.24m in business rates which is paid over to the national pool and will receive £2.79m in redistributed business rates as part of the Formula Grant funding for local authorities.
- 9.4 It is unclear how localisation of Business Rates might work in practice, particularly in two-tier areas where county councils do not collect Business Rates but receive the majority of their funding from the Business Rates pool. If the proceeds of growth are to be distributed between billing and precepting authorities, a formula based approach would appear to be most appropriate. However, other options could include an apportionment in line with the current distribution of the Formula Grant used as a base line, current spending or spending pressure. Whatever method is chosen, the Government is likely to be keen to avoid large winners and losers and any sort of equalisation then brings into play mechanisms such as floor damping.
- 9.5 Police and Fire authorities are currently funded partly through re-distributed Business Rates and it may be sensible to suggest that they are funded through a dedicated grant separate from Business Rates and formula grant, which recognises that they are not directly involved in influencing planning and economic decisions taken by the billing authority.
- 9.6 Currently any volatility in Business Rates, i.e. from national economic recession or individual bankruptcy of major business in an area, is covered by the Government. This means that, regardless of the actual amount of Business Rates collected in a year, local authorities are guaranteed to receive the amount promised in their grant settlement. Options for addressing this risk for local authorities include a local rolling reserve, so individual local authorities could carry a deficit with the view to breaking even over a number of years, a national shock fund (similar to the current NNDR pool arrangements) or regional reserves.
- 9.7 There is a tension between local autonomy and the need to redistribute funding across the country to reflect need. By creating a link between the growth in revenues and growth in the NNDR tax base, Government could remove any link between budgets and local needs. Setting the baseline at the current level would lock in any previous inequalities from the current floor for a block model. Re-setting the baseline periodically could ensure that need is considered for all local authorities regardless of their ability to increase Business Rates. It would, therefore, seem sensible to argue for a periodic readjustment of the base line, although it could be considered that a weaker relationship between needs and resources is a price worth paying for greater financial autonomy.
- 9.8 The projections in the Comprehensive Spending Review suggest that formula grant will fall substantially up to at least 2014/15. However, Business Rates is projected to grow to a level above the formula grant pot. Therefore, if

Business Rates are localised, growth could see local authorities retain higher revenues than the current Spending Review assumption. Alternatively, Government could amend the legislation and retain Business Rates for national purposes but may be considering localising additional responsibilities instead. The Government may reduce reliance on specific grants as part of this process. This means that the incentive for local authorities to influence the growth in Business Rates could be swamped by additional responsibilities passed over by the Government in areas such as community safety, local transport provision and local employment support.

- 9.9 The second phase of the Local Government Resource Review was due to commence in April 2011, with a focus on Community Budgets. However, detailed Terms of Reference are yet to be published.

## **10 TAX INCREMENT FINANCING (TIF)**

- 10.1 The review is also looking at how to deliver tax increment financing proposals. The tax increment financing approach would enable a local authority to use anticipated future tax income to fund current loans to invest in economic regeneration. The approach is dependent on local authorities retaining some element of the growth in Business Rate income.
- 10.2 TIF creates a financing stream for schemes that otherwise may not have been affordable. It uses anticipated future increases in Business Rates revenue, usually over a 20 – 25 year period, to finance current improvements around economic regeneration. It is dependent on the Government allowing local authorities to retain at least an element of any growth in Business Rates and, therefore, is linked with the Local Government Resource Review discussed elsewhere in this report. The Council's Capital Strategy recognises that the Council may, in the future, decide to make strategic land purchases in order to support its wider objectives around economic regeneration outlined through the Local Development Framework and supporting documentation. If appropriate, the TIF may be the mechanism for making the Council's plans affordable.

## **11 BEST VALUE STATUTORY GUIDANCE**

- 11.1 In June the Government consulted on a light-touch Best Value statutory guidance to replace the statutory guidance "Creating Strong, Safe and Prosperous Communities" and there are plans to repeal the two statutory duties, i.e. the duty to involve and the duty to prepare a sustainable community strategy.
- 11.2 The new guidance provides an expectation for voluntary and community organisations in their relationships with authorities. It also aims to be more explicit about the scope for authorities to consider social value in their functions and allow them appropriate discretion in considering the circumstances of individual cases. The draft statutory guidance requires authorities to consult a wide range of local persons, including local voluntary



and community organisations and businesses, before deciding how to fulfil our Best Value duty. This requirement applies at all stages of the commissioning cycle, including when considering decommissioning services.

- 11.3 The guidance requires authorities to be sensitive to the benefits and needs of voluntary and community sector organisations and small businesses. Authorities should seek to avoid passing on disproportionate cuts and, in particular, an authority intending to reduce or end funding or other support that will materially threaten the viability of the organisation or the service it provides should give at least three months notice to both the organisation involved and the public/service user. This means that any decisions which affect funding for the voluntary sector will need to be made and communicated by December 2011. This is reflected in the budget timetable outlined above.

## **12 RISK IMPLICATIONS**

- 12.1 By identifying clearly where savings will be made, this mitigates the risk of not achieving the target or meeting the budget gap.
- 12.2 There is a risk of further falls in income which may mean higher levels of savings are required, but this would be monitored through the budget monitoring arrangements.
- 12.3 The Government have only announced local authority funding for the current year and 2012/13 so, until the grant for 2013/14 onwards is announced, the MTFS is currently based on a balance of the worse and best case scenarios. This means there is a risk that the savings targets for the current year and next year will be insufficient to meet future shortfalls or, alternatively, that the degree of reductions being planned for, particularly in 2012/13, is not required.
- 12.4 Cuts in the Council's expenditure and the continuing uncertainty over future years may have an impact on staff morale at a time when staff will be expected to increase performance and be flexible to change. This could, in turn, have a detrimental impact on performance and absence rates. Consequently it continues to be important, over a sustained period, for the Council to be clear in its comments over the approach it is taking. Decisions and communication around the MTFS will help with this.
- 12.5 There is currently a lot of public debate about the proposed changes to public sector pensions and their impact on the Local Government Pension Scheme. Although we do not have the prospect of a pension revaluation until 2014/15, pensions still pose a significant risk to the Authority, not only from a financial point of view but also from the impact on staff morale and the possibility of industrial unrest and action.
- 12.6 From a financial point of view, although the aim of the proposals is to reduce the cost on the public purse, some of the proposals will affect higher paid staff

who will see increased contribution rates and may decide to withdraw from the Scheme. A reduction in ongoing contributions will affect the future valuations of the pension deficit and associated employer contributions. In addition, it needs to be recognised that the ongoing uncertainty about what the final changes will look like, together with the speculation in the press and various announcements by both the Government and trade unions, will have a detrimental impact on staff morale at a time when staff are not receiving pay rises and are seeing significant changes to their work due to cuts across the public sector. The threat of strike action, either by Rochford District Council staff or our partners, is a risk that needs to be considered as negotiations at the national level continue.

### **13 RESOURCE IMPLICATIONS**

- 13.1 Delivering the savings or additional income identified in this report is essential to maintaining a balanced budget and ensuring that the Council is well placed to finance current and future spending plans.

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.

SMT Lead Officer Signature: \_\_\_\_\_

**Head of Finance**

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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.

HOS: PAUL WARREN

COST CENTRE	2010/11 Revised Budget £	Projection for Year End as at Q3 2010/11 £	Actual 2010/11 £	Variance to Q3 Forecast (Negative figures are favourable)		Variance to Revised Budget (Negative figures are favourable)	
				£	%	£	%
Chief Executive Office	184,600	181,375	187,055	5,680	3.13%	2,455	1.33%
Human Resources	292,000	250,043	307,575	57,532	23.01%	15,575	5.33%
Corporate Management Account	226,300	226,215	220,740	(5,475)	-2.42%	(5,560)	-2.46%
Emergency Planning & Health & Safety	61,500	54,657	56,302	1,645	3.01%	(5,198)	-8.45%
Corporate Policy & Partnership	163,800	135,345	125,196	(10,149)	-7.50%	(38,604)	-23.57%
Environmental Initiatives	12,500	12,300	12,085	(215)	-1.75%	(415)	-3.32%
Economic Development	277,200	266,857	296,985	30,128	11.29%	19,785	7.14%
Community Safety	98,800	97,581	96,916	(665)	-0.68%	(1,884)	-1.91%
Deputy Chief Executive	149,200	147,823	245,805	97,982	66.28%	96,605	64.75%
Highways/Roads (Routine)	(13,400)	(14,787)	(18,881)	(4,094)	-27.68%	(5,481)	-40.90%
Totals	1,452,500	1,357,409	1,529,778	172,369	12.70%	77,278	5.32%

Notes:

The following types of expenditure are shown in the variance breakdown because they are included in the Cost of Services for individual cost centres, but are reversed out in the Accounts.

- Capital Charges - these include depreciation and impairment entries
- Salaries Year End Adjustments are in relation to the Pensions accounting entries under FRS17, and outstanding holiday accruals.

**Variance Breakdown**

	<u>Actual 2010/11</u>	<u>Revised Budget 2010/11</u>	<u>Variance £</u>	<u>Variance %</u>	<u>Comments</u>
<b>Human Resources</b>					
Salaries	149,508	145,800	3,708		
Superannuation	12,403	0	12,403		
National Insurance	8,180	0	8,180		
Year End Accounts Adjustment	6,427	0	6,427		
	176,518	145,800	30,718	21%	Includes redundancy payments.
Occupational Health	9,074	15,000	-5,926	-40%	Demand led, based upon caseloads.

**HOS: PAUL WARREN**

<b><u>Corporate Management Account</u></b>	<b><u>Actual 2010/11</u></b>	<b><u>Revised Budget 2010/11</u></b>	<b><u>Variance £</u></b>	<b><u>Variance %</u></b>	<b><u>Comments</u></b>
External Audit – Grant Claims	38,515	32,800	5,715		17% Additional work on grants audit - reported to audit committee.
BCE Project Region Consultation Toolkit	-6,763	0	-6,763		Outstanding grant claimed from Capacity Building Grant - not required so will go back to General Fund Balances.

**Emergency Planning & Health & Safety**

Salaries	30,974	47,000	-16,026		
Superannuation	4,161	0	4,161		
National Insurance	2,473	0	2,473		
Year End Accounts Adjustment	2,109	0	2,109		
	<u>39,717</u>	<u>47,000</u>	<u>-7,283</u>	<u>-15%</u>	Staff vacancy

**Corporate Policy & Partnership**

Salaries	95,221	153,600	-58,379		
Superannuation	8,997	0	8,997		
National Insurance	6,962	0	6,962		
Year End Accounts Adjustment	3,831	0	3,831		
	<u>115,011</u>	<u>153,600</u>	<u>-38,589</u>	<u>-25%</u>	Staff Vacancies

**Economic Development**

Grants	202,675	182,600	20,075		11% Internal recharges for accommodation calculated differently, impacting another cost centre
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**Deputy Chief Executive**

Salaries	167,072	144,500	22,572		
Superannuation	14,517	0	14,517		
National Insurance	11,824	0	11,824		
Year End Accounts Adjustment	47,262	0	47,262		Includes redundancy & FRS17 costs.
	<u>240,675</u>	<u>144,500</u>	<u>96,175</u>	<u>67%</u>	

HOS: JEREMY BOURNE							
COST CENTRE	2010/11 Revised Budget £	Projection for Year End as at Q3 2010/11 £	Actual 2010/11 £	Variance to Q3 Forecast (Negative figures are favourable)		Variance to Revised Budget (Negative figures are favourable)	
				£	%	£	%
Council Tax	237,000	204,080	214,011	9,931	4.87%	(22,989)	-9.70%
Housing Benefit Administration	(20,600)	(19,738)	17,732	37,470	189.84%	38,332	186.08%
Community Services Client Account	138,900	133,384	135,151	1,767	1.32%	(3,749)	-2.70%
Business Rates	(58,800)	(58,397)	(57,938)	459	0.79%	862	1.47%
Council Tax Benefits	(43,600)	(43,588)	(40,249)	3,339	7.66%	3,351	7.69%
Housing Benefit Payments	(98,300)	(120,020)	(108,883)	11,137	9.28%	(10,583)	-10.77%
Revenues Investigation Section	172,100	177,530	195,432	17,902	10.08%	23,332	13.56%
Culture & Heritage - Windmill	33,300	34,643	37,121	2,478	7.15%	3,821	11.47%
Leisure Premises	1,368,600	1,361,407	1,392,346	30,939	2.27%	23,746	1.74%
Sports Development & Promotion	(18,500)	(26,903)	(20,487)	6,416	23.85%	(1,987)	-10.74%
Leisure Client Account	188,600	181,713	266,480	84,767	46.65%	77,880	41.29%
Housing Strategy	126,200	109,094	113,447	4,353	3.99%	(12,753)	-10.11%
Private Sector Housing Renewal	228,100	229,320	847,155	617,835	269.42%	619,055	271.40%
Homelessness	284,100	203,170	267,685	64,515	31.75%	(16,415)	-5.78%
Totals	2,537,100	2,365,695	3,259,003	893,308	37.76%	721,903	28.45%

## Notes:

The following types of expenditure are shown in the variance breakdown because they are included in the Cost of Services for individual cost centres, but are reversed out in the Accounts.

- Capital Charges - these include depreciation and impairment entries
- Salaries Year End Adjustments are in relation to the Pensions accounting entries under FRS17, and outstanding holiday accruals.

<b>HOS: JEREMY BOURNE</b>
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<u>Variance Breakdown</u>	<u>Actual 2010/11</u>	<u>Revised Budget 2010/11</u>	<u>Variance £</u>	<u>Variance %</u>	<u>Comments</u>
<b><u>Council Tax</u></b>					
Salaries	206,880	260,800	-53,920		
Superannuation	16,555	0	16,555		
National Insurance	10,033	0	10,033		
Agency Staff	12,497	0	12,497		
Year End Accounts Adjustment	7,635	0	7,635		
	253,599	260,800	-7,201	-3%	Staff vacancies
Court Costs	-119,633	-105,000	-14,633	-1220%	Demand led, dependant on caseloads.
<b><u>Housing Benefit Administration</u></b>					
Salaries	339,156	405,700	-66,544		
Superannuation	33,479	0	33,479		
National Insurance	25,228	0	25,228		
Agency Staff	30,159	0	30,159		
Year End Accounts Adjustment	16,611	0	16,611		FRS17 and holiday accounting entries and agency
	444,634	405,700	38,934	10%	cover
<b><u>Community Services Client Account</u></b>					
Training - Jeremy Bourne	13,837	22,600	-8,763	-39%	Not as much training undertaken as anticipated.
<b><u>Housing Benefit Payments</u></b>					
Rent Allowances	15,612,220	15,663,500	-51,280	0%	Subsidy figures are based upon final claim
Housing Benefit Subsidy	-14,895,456	-15,266,400	370,944	-2%	submitted in January 2011.
Recoveries	-764,018	-450,000	-314,018	70%	Recoveries based upon caseloads.
DWP Rebate	-61,629	-45,400	-16,229	36%	Subsidy figures are based upon final claim submitted in January 2011.

<b>HOS: JEREMY BOURNE</b>
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<u>Revenues Investigation Section</u>	<u>Actual 2010/11</u>	<u>Revised Budget 2010/11</u>	<u>Variance £</u>	<u>Variance %</u>	<u>Comments</u>
Small Business Rate Relief	7,847	0	7,847		Funding received but expenditure not budgeted for
Salaries	138,461	165,100	-26,639		
Superannuation	17,282	0	17,282		
National Insurance	9,841	0	9,841		
Year End Accounts Adjustment	9,061	0	9,061		
	174,645	165,100	9,545	6%	FRS 17 and holiday accounting entries
<b><u>Leisure Premises</u></b>					
Leis Prem - Contract Payment	292,095	282,200	9,895		4% Budget was cut by £10k, however this was not achieved as monthly contract cost increased by £810, causing the revised budget to go overspent.
Capital Charges	1,059,381	1,043,600	15,781	2%	
<b><u>Leisure Client Acct</u></b>					
Capital Charges	84,182	13,800	70,382	510%	
<b><u>Housing Strategy</u></b>					
Salaries	85,744	110,200	-24,456		
Superannuation	9,739	0	9,739		
National Insurance	6,539	0	6,539		
Year End Accounts Adjustment	4,564	0	4,564		
	106,585	110,200	-3,615	-3%	Staff Vacancies
Housing Co-ordinator	-5,000	0	-5,000		Unexpected refund of contribution for TGSE Housing Co-Ordinator.

HOS: JEREMY BOURNE					
<u>Private Sector Housing Renewal</u>	<u>Actual 2010/11</u>	<u>Revised Budget 2010/11</u>	<u>Variance £</u>	<u>Variance %</u>	<u>Comments</u>
Capital Charges	612,650	0	612,650		Housing grants are treated as capital charges but shown in the Revenue accounts.
<b><u>Homelessness</u></b>					
Salaries	97,688	155,300	-57,612		
Superannuation	12,089	0	12,089		
National Insurance	6,938	0	6,938		
Year End Accounts Adjustment	5,794	0	5,794		
	122,509	155,300	-32,791	-27%	Staff Vacancies
<b><u>Contracted Accommodation</u></b>					
Housing Benefit Recharged cost	73,755	0	73,755		Where the cost of the temporary accommodation is higher than the subsidy limit, it is now being recharged to Homelessness in order to show the true cost to the authority. This is a change to treatment introduced after the estimates were set.
Cost of Accommodation	170,870	120,000	50,870		
Benefits Income	-137,790	-50,000	-87,790		
	106,835	70,000	36,835	53%	Due to change in accounting treatment of costs above subsidy limit
Homelessness Improvements	0.00	5,000	-5,000		Contingency not required
Rent Deposit Scheme	-8,800	-1,000	-7,800	780%	Budget was based on what we actually received in the previous year. The actual shows the full debtor invoice raised but most payments will be by instalment.



## HOS: ALBERT BUGEJA

COST CENTRE	2010/11 Revised Budget £	Projection for Year End as at Q3 2010/11 £	Actual 2010/11 £	Variance to Q3 Forecast (Negative figures are favourable)		Variance to Revised Budget (Negative figures are favourable)	
				£	%	£	%
Office Accommodation Rochford	484,700	492,304	374,469	(117,835)	-23.94%	(110,231)	-22.74%
Office Accommodation Rayleigh	113,300	106,589	90,035	(16,554)	-15.53%	(23,265)	-20.53%
Local Land Charges	(13,800)	(47,637)	(37,308)	10,329	21.68%	(23,508)	-170.35%
Cemeteries & Churchyards - Open/Closed	(114,400)	(93,140)	(93,801)	(661)	-0.71%	20,599	18.01%
Estate Management Services	163,600	160,116	161,191	1,075	0.67%	(2,409)	-1.47%
Legal Services	325,600	332,378	333,601	1,223	0.37%	8,001	2.46%
Member & Committee Services	555,900	529,289	561,096	31,807	6.01%	5,196	0.93%
Totals	1,514,900	1,479,899	1,389,285	(90,614)	-6.12%	(125,615)	-8.29%

Notes:

The following types of expenditure are shown in the variance breakdown because they are included in the Cost of Services for individual cost centres, but are reversed out in the Accounts.

- Capital Charges - these include depreciation and impairment entries
- Salaries Year End Adjustments are in relation to the Pensions accounting entries under FRS17, and outstanding holiday accruals.

**Variance Breakdown**

**Actual 2010/11**    **Revised Budget 2010/11**    **Variance £**    **Variance %**    **Comments**

**Office Accommodation Rochford**

Electricity	75,184	41,000	34,184	83%	Some prior year invoices were received that added to the cost for the year. In addition it was difficult to set an accurate budget as the cost of electricity is volatile and not easy to predict.
Capital Charges	-18,415	128,000	-146,415	-114%	
Equipment, Furniture And Materials	6,174	100	6,074	6074%	Includes cost of new office recycling bins of £5,500 for the revised cleaning contract which will save £10,000 per year from 2011/12.

**HOS: ALBERT BUGEJA**

<b><u>Office Accommodation Rayleigh</u></b>	<b><u>Actual 2010/11</u></b>	<b><u>Revised Budget 2010/11</u></b>	<b><u>Variance £</u></b>	<b><u>Variance %</u></b>	<b><u>Comments</u></b>
Capital Charges	0	25,000	-25,000		
<b><u>Local Land Charges</u></b>					
Fees & Charges	-111,739	-86,000	-25,739		30% Budget was reduced at revised estimate time due to the charge for CON29 searches being scrapped. The effect on budget was not as significant as anticipated.
<b><u>Cemeteries &amp; Churchyards - Open/Closed</u></b>					
Interments	-52,040	-66,700	14,660		-22% Demand led, budget was based upon previous
Grave Purchases	-40,974	-46,700	5,727		-12% year.
<b><u>Legal Services</u></b>					
Salaries	220,249	287,700	-67,451		
Superannuation	27,406	0	27,406		
National Insurance	18,654	0	18,654		
Year End Accounts Adjustment	13,526	0	13,526		
	<u>279,835</u>	<u>287,700</u>	<u>-7,865</u>	<u>-3%</u>	FRS17and holiday accounting adjustments
Legals Fee's Income	-6,152	-15,000	8,848		-59% Fewer successful cases than expected.
Legal Fee's Exp	32,000	22,000	10,000		45% Additional costs incurred.
<b><u>Member &amp; Committee Services</u></b>					
Salaries	136,341	162,700	-26,359		
Superannuation	16,716	0	16,716		
National Insurance	9,749	0	9,749		
Year End Accounts Adjustment	8,171	0	8,171		
	<u>170,977</u>	<u>162,700</u>	<u>8,277</u>	<u>5%</u>	FRS17and holiday accounting adjustments

**HOS: SARAH FOWLER**

COST CENTRE	2010/11 Revised Budget £	Projection for Year End as at Q3 2010/11 £	Actual 2010/11 £	Variance to Q3 Forecast (Negative figures are favourable)		Variance to Revised Budget (Negative figures are favourable)	
				£	%	£	%
Conducting Elections	118,100	125,504	121,716	(3,788)	-3.02%	3,616	3.06%
Registration of Electors	81,300	57,224	51,503	(5,721)	-10.00%	(29,797)	-36.65%
Telephones & Reception	146,000	130,569	132,410	1,841	1.41%	(13,590)	-9.31%
Information & Support Services	490,400	456,347	471,423	15,076	3.30%	(18,977)	-3.87%
IT - Including Web & Communications	1,470,200	1,437,151	1,385,309	(51,842)	-3.61%	(84,891)	-5.77%
Customer Services	340,900	329,205	336,967	7,762	2.36%	(3,933)	-1.15%
Totals	2,646,900	2,536,000	2,499,327	(36,673)	-1.45%	(147,573)	-5.58%
Totals	5,293,800	5,072,000	4,998,654	(73,346)	-1.45%	(295,146)	-5.58%

## Notes:

The following types of expenditure are shown in the variance breakdown because they are included in the Cost of Services for individual cost centres, but are reversed out in the Accounts.

- Capital Charges - these include depreciation and impairment entries
- Salaries Year End Adjustments are in relation to the Pensions accounting entries under FRS17, and outstanding holiday accruals.

**Variance Breakdown**

	<u>Actual 2010/11</u>	<u>Revised Budget 2010/11</u>	<u>Variance £</u>	<u>Variance %</u>	<u>Comments</u>
<b><u>Registration of Electors</u></b>					
Salaries	21,437	38,500	-17,063		
Superannuation	2,337	0	2,337		
National Insurance	1,836	0	1,836		
Year End Accounts Adjustment	1,192	0	1,192		
	26,802	38,500	-11,698	-30%	Relates to staff vacancies
Bulk Postage	1,801	8,500	-6,699	-79%	Lower costs than anticipated.
Electoral Legislation	0	5,000	-5,000	-100%	Not required.

HOS: SARAH FOWLER					
<u>Telephones &amp; Reception</u>	<u>Actual 2010/11</u>	<u>Revised Budget 2010/11</u>	<u>Variance £</u>	<u>Variance %</u>	<u>Comments</u>
Salaries	76,352	97,700	-21,348		
Superannuation	7,031	0	7,031		
National Insurance	5,113	0	5,113		
Year End Accounts Adjustment	3,288	0	3,288		
	91,784	97,700	-5,916	-6%	Relates to staff turnover
 <u>Information &amp; Support Services</u>					
Bulk Postage	24,278	36,100	-11,822	-33%	Lower demand for bulk postage.
Central Stationary Provision	5,191	11,900	-6,709	-56%	A prudent approach to stationery procurement has been taken council wide, this has seen a large reduction in the overall spend on stationery.
Postal Charges - Franking	24,168	47,000	-22,832	-49%	An increased use of electronic means of communication has reduced spend in this area.
Capital Charges	20,583	0	20,583		
 <u>IT - Including Web &amp; Communications</u>					
Salaries	294,991	401,000	-106,009		
Superannuation	33,832	0	33,832		
National Insurance	21,592	0	21,592		
Year End Accounts Adjustment	14,778	0	14,778		
	365,193	401,000	-35,807	-9%	Relates to staff vacancies
Capital Charges	70,437	95,300	-24,863	-26%	
IT Upgrades/Development	102,648	114,800	-12,152	-11%	Budget is set on a planned amount of upgrades in the year. Not all projects were needed or started in the year.
Contract Payment	810,951	823,000	-12,049	-1%	Saving made from changes to the ICT contract.

## HOS: SHAUN SCRUTTON

COST CENTRE	2010/11 Revised Budget £	Projection for Year End as at Q3 2010/11 £	Actual 2010/11 £	Variance to Q3 Forecast (Negative figures are favourable)		Variance to Revised Budget (Negative figures are favourable)	
				£	%	£	%
Building Control Client Account	241,700	241,404	249,753	8,349	3.46%	8,053	3.33%
Building Control Fee Account	(256,000)	(221,229)	(217,257)	3,972	1.80%	38,743	15.13%
Planning Policy	282,200	281,151	270,054	(11,097)	-3.95%	(12,146)	-4.30%
Development Management	175,800	136,395	195,479	59,084	43.32%	19,679	11.19%
Planning & Building Control Admin.	123,300	124,489	125,683	1,194	0.96%	2,383	1.93%
Hackney Carriage	6,800	3,895	8,396	4,501	115.56%	1,596	23.47%
On Street Parking	(39,900)	(10,496)	(80,998)	(70,502)	-671.70%	(41,098)	-103.00%
Off Street Parking	(751,000)	(709,251)	(576,297)	132,954	18.75%	174,703	23.26%
Public Transport	784,100	774,207	777,873	3,666	0.47%	(6,227)	-0.79%
Totals	567,000	620,565	752,686	132,121	21.29%	185,686	32.75%

## Notes:

The following types of expenditure are shown in the variance breakdown because they are included in the Cost of Services for individual cost centres, but are reversed out in the Accounts.

- Capital Charges - these include depreciation and impairment entries
- Salaries Year End Adjustments are in relation to the Pensions accounting entries under FRS17, and outstanding holiday accruals.

<u>Variance Breakdown</u>	<u>Actual 2010/11</u>	<u>Revised Budget 2010/11</u>	<u>Variance £</u>	<u>Variance %</u>	<u>Comments</u>
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Building Control Client Account

Salaries	181,674	219,700	-38,026		
Superannuation	22,446	0	22,446		
National Insurance	14,841	0	14,841		
Year End Accounts Adjustment	10,164	0	10,164		
	229,126	219,700	9,426	4%	FRS17and holiday accounting adjustments

<u>Building Control Fee Account</u>	-217,257	-256,000	38,743	-15%	Income down during the year due to downturn in economic climate, leading to fewer building work applications being received. Also new building fee charging structure.
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<u>Planning Policy</u>	<u>Actual 2010/11</u>	<u>Revised Budget 2010/11</u>	<u>Variance £</u>	<u>Variance %</u>	<u>Comments</u>
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Habitats Directive Grant - Exp	0	16,800	-16,800		To match income, but no expenditure incurred.
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<b>HOS: SHAUN SCRUTTON</b>
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**Development Management**

Salaries	278,362	366,800	-88,438	
Superannuation	31,441	0	31,441	
National Insurance	20,341	0	20,341	
Year End Accounts Adjustment	14,239	0	14,239	
	<u>344,382</u>	<u>366,800</u>	<u>-22,418</u>	-6% Relates to staff vacancies

Planning Fees	-211,580	-264,000	52,420	-20% Downturn in economy resulted in reduced applications and there was a refund of an unvalidated application.
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**On Street Parking**

Contribution to/from reserve	41,590	0	41,590	Expenditure on equipment and vehicles, will be funded through On St Account.
PCN Payments	-119,858	-150,000	30,142	-20% On St account was closed on a cash basis in view of new partnership arrangements so no accrual made.
Uplift Car Park Income	-115,700	0	-115,700	As last year of agreement with ECC, this is the amount due from ECC to clear the On St deficit.

**Off Street Parking**

Capital Charges	129,300	6,100	123,200	2020%
On Street Transfer	23,700	0	23,700	Internal transfer to On St account.
PCN Payments	-79,381	-100,000	20,619	-21% Patrolling of yellow lines was difficult during the snow and ice which additionally kept drivers off the roads and away from town centres.

**Public Transport**

Bus Passes	824,818	835,300	-10,482	-1% Budget set to include ECC admin fee & legal costs, which was not needed
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## HOS: RICHARD EVANS

COST CENTRE	2010/11 Revised Budget £	Projection for Year End as at Q3 2010/11 £	Actual 2010/11 £	Variance to Q3 Forecast (Negative figures are favourable)		Variance to Revised Budget (Negative figures are favourable)	
				£	%	£	%
Woodlands	146,600	63,048	49,242	(13,806)	-21.90%	(97,358)	-66.41%
Maintenance Of Grounds Holding Account	765,200	744,999	693,075	(51,924)	-6.97%	(72,125)	-9.43%
Parks & Open Spaces	371,200	326,227	144,738	(181,489)	-55.63%	(226,462)	-61.01%
Environmental Health	611,700	568,672	609,317	40,645	7.15%	(2,383)	-0.39%
Licensing	(19,300)	(35,639)	(18,307)	17,332	48.63%	993	5.14%
Public Health	15,600	11,940	15,475	3,535	29.60%	(125)	-0.80%
Public Conveniences	108,600	90,611	142,666	52,055	57.45%	34,066	31.37%
Street Cleansing	626,100	599,036	615,045	16,009	2.67%	(11,055)	-1.77%
Recycling Collection	2,289,100	2,275,279	2,256,674	(18,605)	-0.82%	(32,426)	-1.42%
Recycling Disposal	(741,200)	(746,769)	(852,237)	(105,468)	-14.12%	(111,037)	-14.98%
Depot	317,300	286,585	290,932	4,347	1.52%	(26,369)	-8.31%
Totals	4,490,900	4,183,989	3,946,620	(237,369)	-5.67%	(544,280)	-12.12%

## Notes:

The following types of expenditure are shown in the variance breakdown because they are included in the Cost of Services for individual cost centres, but are reversed out in the Accounts.

- Capital Charges - these include depreciation and impairment entries
- Salaries Year End Adjustments are in relation to the Pensions accounting entries under FRS17, and outstanding holiday accruals.

Variance Breakdown

	<u>Actual 2010/11</u>	<u>Revised Budget 2010/11</u>	<u>Variance £</u>	<u>Variance %</u>	<u>Comments</u>
<b>Woodlands</b>					
Salaries	4,299	98,300	-94,001		
Superannuation	540	0	540		
National Insurance	328	0	328		
Year End Accounts Adjustment	272	0	272		
	5,439	98,300	-92,861	-94%	Relates to staff vacancies.

<b>HOS: RICHARD EVANS</b>
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**Maintenance Of Grounds Holding Account**

	<u>Actual 2010/11</u>	<u>Revised Budget 2010/11</u>	<u>Variance £</u>	<u>Variance %</u>	<u>Comments</u>
Salaries	114,831	141,600	-26,769		
Superannuation	13,717	0	13,717		
National Insurance	7,627	0	7,627		
Year End Accounts Adjustment	6,628	0	6,628		
	<b>142,803</b>	<b>141,600</b>	<b>1,203</b>	<b>1%</b>	FRS17 Costs and vacancies

Contract Payments	914,053	923,800	-9,747	-1%	Some disputed amounts from previous contractor - resolved in 2011/12
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Grounds Maintenance - Default Income	-167,625	-157,000	-10,625	7%	Works not completed by contractor, causing additional default charges to them.
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**Parks & Open Spaces**

Capital Charges	84,405	310,500	-226,095	-73%	
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**Public Conveniences**

Capital Charges	38,204	0	38,204		
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**Street Cleansing**

Minor Groundworks	0	6,000	-6,000	-100%	
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**Recycling Disposal**

Payments to Contractors	4,108	33,000	-28,892	-88%	This budget is for the storage and movement of recycling bins. Underspend relates to income on the code from the sale of bins, totalling £3,931.25 and £21,078 in defaults relating to incomplete work
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MRF Gate Fees	152,875	197,000	-44,125	-22%	A change in contractor mid year, resulted in the cessation of payments on the contract.
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Recycling Credits	-967,739	-937,200	-30,539	3%	Recycling credits increased as the roll out to flats increased.
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**HOS: RICHARD EVANS**

<b><u>Recycling Collection</u></b>	<b><u>Actual 2010/11</u></b>	<b><u>Revised Budget 2010/11</u></b>	<b><u>Variance £</u></b>	<b><u>Variance %</u></b>	<b><u>Comments</u></b>
Salaries	141,889	170,200	-28,312		
Superannuation	15,712	0	15,712		
National Insurance	11,589	0	11,589		
Agency Staff	10,500	0	10,500		
Year End Accounts Adjustment	8,018	0	8,018		
	187,707	170,200	17,507	10%	FRS 17 and Agency costs.
Capital Charges	0.00	55,000	-55,000		
<b><u>Depot</u></b>					
Salaries	54,435	72,600	-18,165		
Superannuation	6,265	0	6,265		
National Insurance	3,632	0	3,632		
Year End Accounts Adjustment	3,368	0	3,368		
	67,700	72,600	-4,900	-7%	Relates to staff vacancies
Special Items	2,944	18,000	-15,056	-84%	Budget was to remove underground storage tanks. But planned usage of hard standing changed so not required.
Capital Charges	177,719	183,000	-5,281	-3%	

## HOS: YVONNE WOODWARD

COST CENTRE	2010/11 Revised Budget £	Projection for Year End as at Q3 2010/11 £	Actual 2010/11 £	Variance to Q3 Forecast (Negative figures are favourable)		Variance to Revised Budget (Negative figures are favourable)	
				£	%	£	%
Coast Protection	2,200	2,200	2,000	(200)	-9.09%	(200)	-9.09%
Financial Services	458,800	472,376	472,277	(99)	-0.02%	13,477	2.94%
Cashiers	49,400	44,417	45,082	665	1.50%	(4,318)	-8.74%
Audit & Performance Management	176,500	176,033	182,801	6,768	3.84%	6,301	3.57%
Totals	686,900	695,026	702,159	7,133	1.03%	15,259	2.22%

## Notes:

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- Capital Charges - these include depreciation and impairment entries
- Salaries Year End Adjustments are in relation to the Pensions accounting entries under FRS17, and outstanding holiday accruals.

**Variance Breakdown**

**Actual 2010/11**      **Revised Budget 2010/11**      **Variance £**      **Variance %**      **Comments**

**Financial Services**

Salaries	330,059	418,300	-88,241		
Superannuation	40,419	0	40,419		
National Insurance	25,944	0	25,944		
Agency Staff	19,125	0	19,125		
Year End Accounts Adjustment	15,692	0	15,692		
	431,239	418,300	12,939	3%	FRS17 Costs and holiday accounting entries
Equipment, Furniture And Materials	21,615	15,900	5,715	36%	Additional costs of new cash receipting ATMs.
Exp - Castle Point BC	7,794	0	7,794		Start up costs for administering CPBC payroll, with income from contractual agreement to provide the service.
Income - Castle Point BC	-11,977	0	-11,977		

HOS: YVONNE WOODWARD					
	<u>Actual 2010/11</u>	<u>Revised Budget 2010/11</u>	<u>Variance £</u>	<u>Variance %</u>	<u>Comments</u>
<b><u>Audit &amp; Performance Management</u></b>					
Salaries	146,558	173,000	-26,442		
Superannuation	14,252	0	14,252		
National Insurance	11,189	0	11,189		
Year End Accounts Adjustment	6,055	0	6,055		
	<u>178,054</u>	<u>173,000</u>	<u>5,054</u>	<u>3%</u>	FRS17 Costs and holiday accounting entries

**Progress on 2011/12 Major Items of additional Savings/Income**

Item	Estimated Annual Value (£)	Progress
Recycling – additional income generated from the rollout of the scheme to caravans and flats. Fuel savings where materials are taken to a nearer site. Additional income from the new Materials Recycling Contract	604,000	<p>Roll out to Tower Caravan Park completed. Target is to complete the caravan site roll-out by the end of June.</p> <p>The new Kerbside Collection Contract is now in place for textiles and Bring Bank arrangements are being rationalised as part of the budget savings</p> <p>At this stage, forecasts indicate that the target will be achieved.</p>
Provision of payroll service to Castle Point Borough Council	23,000	On target, service up and running since 1 April 2011
Reduction in number of budgets under Customer and Information Services ( Central Printing / Subscriptions / Telephones and Postal Charges / Stationery / Computer Consumables / Web Server hosting arrangements	30,000	Savings built into the estimates so budgetary controls will highlight any issues in the future.
Energy & Water Usage –new boiler, timers and time settings at various council buildings, updated cistern and flushing devices and introduction of mains fed water dispensers in the Council buildings.	14,000	Delivery of savings is being monitored but main impact will be after all the heating works are completed and during the winter season.
Reduction in scope of office/window cleaning at the Council offices	10,000	New contract arrangements in place to deliver the savings, but a review is underway into the impact of the reduction in cleaning frequencies.
Reduction in Human resources budgets (Staff Advertising, Training and Recruitment costs)	28,000	Savings built into the estimates so budgetary controls will highlight any issues in the future.

Item	Estimated Annual Value (£)	Progress
Windmill – range of packages to support the promotion of the windmill as a wedding venue.	12,000	Approximately 40 ceremonies are needed to deliver the target. To date, 21 have been held or booked, with 4 further provisional bookings. For 2012/13 bookings, some deposits will be received in the current year. There will be additional promotions linked to the 50 <sup>th</sup> wedding which should generate additional interest.
External Audit Fees.	27,000	This will be delivered over 2 years as the audit fee for 2011/12 has been reduced by £22,600 and there is a further reduction of £5,500 for 2012/13
Homelessness - reviewing and revising homelessness procedures to reduce time that families spend in Bed & Breakfast accommodation and generate savings in B&B and furniture storage costs	24,000	Currently net expenditure is £8,600 against a budget of £86,000. This budget is dependent on demand for temporary accommodation.
Urban Tree Planting Scheme.	10,000	Completed
Salary Savings from changes to the Senior Management Team, freezing some vacancies, Green Travel Plan, voluntary redundancies and reduction in hours, .	921,000	SMT changes are in place. Delay in producing Green Travel Plan for staff business mileage but currently forecast to meet savings target.
Staff Parking and removal of vending machines	58,000	Completed
Reduction in Grants to voluntary organisations	53,000	Completed
Removal of budgets for taxi voucher, handy person and gardening services	109,000	Completed
Reduction in cost of Democratic Services including Member training	18,000	The additional two Groups (Green Party and Rochford District Residents) has meant an increase in Group Leader payments which may impact on meeting this savings target.
Introduction of charges for pest control services	13,000	New charges have been agreed. Delivery of additional income will be monitored.

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Item	Estimated Annual Value (£)	Progress
Great Wakering Leisure Centre	40,000	Savings are based on the assumption that the Council is no longer responsible for managing the centre from October.
Reduction in the cost of providing public conveniences	15,000	Arrangements for achieving savings are under review.
Office Accommodation and closure of Acacia House	17,000	Savings are based on assumption that Acacia House is vacated by December 2011 – preparations are underway to decant the staff into the main council buildings
Review of parking policies and charging	100,000	The changes agreed by Council on 7 June 2011 are forecast to generate a minimum of £47,000 extra per year income. This will be monitored.

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## LOCAL GOVERNMENT RESOURCE REVIEW: TERMS OF REFERENCE

### Phase 1

The first phase of the Review will consider the way in which local authorities are funded, with a view to giving local authorities greater financial autonomy and strengthening the incentives to support growth in the private sector and regeneration of local economies.

It will look at ways to reduce the reliance of local government on central government funding, increase local accountability and ensure that the benefits of economic growth are reflected in the resources authorities have.

The review will include consideration of changes to the business rates system, and focus in particular on:

- a) the optimum model for incentivising local authorities to promote growth by retaining business rates, whilst ensuring that all authorities have adequate resources to meet the needs of their communities and to deliver the commitments set out in the Spending Review;
- b) the extent to which these proposals can set local authorities free from dependency on central funding;
- c) considering how to fund authorities where locally raised funding would be insufficient to meet budget requirements and control council tax levels, as well as councils who do not collect business rates, such as upper tier authorities, recognising that some parts of the country are currently more dependent on government funding;
- d) reviewing the scope for greater transparency and localisation of the equalisation process;
- e) the position of councils whose business rate yield would be significantly higher than their current spending;
- f) how to ensure appropriate protections are in place for business, within a framework of devolving power to the lowest level possible;
- g) how to deliver Tax Increment Financing proposals against a context of greater retention of business rate revenues;
- h) how various aspects of the business rate system, including business rate revaluation and reliefs, should be treated;
- i) examining the scope for further financial freedoms for local authorities, while standing up for and protecting the interests of local taxpayers, and
- j) the wider implications of rates retention for related policies, including the work of the Commission on the Funding of Care and Support and the Government's other incentive schemes (the New Homes Bonus and the commitment to allow communities to keep the business rates for renewable energy projects).

The Review will take account of the responses made to the questions in "*Local growth: realising every place's potential*". It will also conduct extensive engagement with interested parties, including businesses of all sizes, to ensure that all views and perspectives are taken into account.

Following the announcements at the Spending Review and through introduction of the Welfare Reform Bill that Government will localise Council Tax Benefit, the Review will also consider the design of the new scheme (to be launched in 2013-14) and what flexibilities local authorities should have to help keep overall council tax levels down.

The first phase of the Review will conclude by July 2011, followed by the necessary steps to implement the concluded reforms.