

## ESSENTIAL REFERENCE PAPER 'E1'

### SUMMARY OF PREVIOUSLY REPORTED VARIANCES ON THE REVENUE BUDGET

	Projected Outturn 31 March 2012 £'000		
1.1	April	212	Adverse
	May	223	Adverse
	June	42	Adverse
	July	62	Favourable
	August	114	Adverse
	September	25	Adverse
	October	248	Adverse
	<b>ITEM (in order of Corporate Priority)</b>		<b>MONTH(S) REPORTED</b>
	<b>Promoting prosperity and well being</b>		
1.2	LOCAL SUPPORT SERVICES GRANT The Department for Communities and Local Government announced on 22 March 2011 that East Herts Council is being awarded a Local Services Support Grant of £50k.		April
1.3	CONCESSIONARY FARES The costs associated with Concessionary Fares for 2010/11 are lower by £19k than anticipated when the accounts were closed and this will result in a favourable position in 2011/12.		May
1.4	HACKNEY CARRIAGE/PRIVATE HIRE SERVICE The general down turn in the economy is reflected in the demand for the Hackney Carriage/Private Hire service. As a consequence licence fees are anticipated to be adverse by £8k.		June
1.5	EMERGENCY PLANNING Issues around Travellers at Birch Green and the need to use Bailiffs over a weekend will result in the Emergency Planning budget being overspent. When the full implications are costed and after discussions have been taken place between the Director of neighbourhood		August

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<p>Services and the Portfolio Holder any further action that is required will be undertaken. To date a delegated decision was approved on 31 August 2011.</p>	
<p>1.6 LOCAL SUPPORT SERVICES GRANT</p> <p>The Local Services Support grant of £50k was identified in April as a windfall sum. In fact this had been budgeted for under a different income heading shown as a contribution towards rent deposits to alleviate homelessness.</p>	September
<p>1.7 HOSTEL RENT</p> <p>The occupancy rate at Hillcrest Hostel is now consistently higher generating circa £40k more rental income.</p>	September
<p><b>Fit for purpose</b></p>	
<p>1.8 TURNOVER</p> <p>Salary budgets are constantly monitored and <b><u>Essential Reference Paper 'C'</u></b> shows a projected overspend of £607k. This is predicted to be a worse case scenario and should reduce as more budgeted savings begin to be delivered.</p>	April
<p>1.9 EFFICIENCY SAVINGS</p> <p>Efficiency savings planned to be made in 2011/12 within the Printing and Desk Top Publishing services have yet to be resolved and total £53k.</p>	April
<p>1.10 TURNOVER</p> <p>Salary budgets are constantly monitored and <b><u>Essential Reference Paper 'C'</u></b> shows a projected overspend of £612k. This is predicted to be a worse case scenario and should reduce as more budgeted savings begin to be delivered. However, any redundancy and new strain costs have not been accounted for here, as there is a specific reserve set up for these costs in the MTFP.</p>	May
<p>1.11 TURNOVER</p> <p>Salary budgets are constantly monitored and <b><u>Essential Reference Paper 'C'</u></b> shows a projected over spend of</p>	June

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<p>£587k. This is predicted to be a worse case scenario and should reduce as more budgeted savings begin to be delivered.</p>	
<p>1.12 TURNOVER</p> <p>Salary budgets are constantly monitored and <b><u>essential Reference Paper 'C'</u></b> shows a projected overspend of £526k. This is predicted to be a worse case scenario and should reduce as more budgeted savings begin to be delivered.</p>	July
<p>1.13 HARTHAM</p> <p>The sale of land associated with the supermarket development at Hartham will generate a windfall sum of £50k.</p>	July
<p>1.14 OFFICE MOVES</p> <p>Costs associated with the office moves such as the disposal of redundant files, physical storage and moving staff temporarily during the refurbishment works is estimated to cost £21k.</p>	July
<p>1.15 INVESTMENT INCOME</p> <p>The movement and uncertainty in the financial markets has not made it conducive at this moment to invest further in structured deposits as per the original estimate. Therefore, investment income is anticipated to be £55k less than estimated.</p>	July
<p>1.16 TURNOVER</p> <p>Salary budgets are constantly monitored and <b><u>Essential Reference Paper 'C'</u></b> shows a projected over spend of £506k. Restructuring proposals are now underway to address the position.</p>	August
<p>1.17 INVESTMENT INCOME</p> <p>A report to Audit Committee on 21 September 2011 related that Investment Income will be less than estimated by circa £200k due to the economic climate.</p>	August
<p>1.18 TURNOVER</p> <p>Salary budgets are constantly monitored and <b><u>Essential</u></b></p>	September

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<u>Reference Paper 'C'</u> shows a projected over spend of £542k.	
1.19 INSURANCE The re-tendering of the Insurance contract has resulted in a saving of £80k.	September
1.20 CORPORATE TRAINING There will be a saving of £25k on the Corporate Training budget.	September
1.21 IT LICENCES A review of the IT Licences budget has identified savings of £105k.	September
1.22 ASSET RECOVERY The Council is due circa £100k as a result of illegal asset recovery action regarding airport car parking.	September
1.23 TURNOVER Salary budgets are constantly monitored and <b>Essential Reference Paper 'C'</b> shows a projected overspend of £468k.	October
1.24 ENVIRONMENTAL POLLUTION Various savings totalling £10k have been identified across supplies and services due to changing circumstances within the Environmental Pollution cost centre.	October
1.25 HOUSING GRANTS The Housing Grants budget will overspend by £9k as only half a year's funding was provided in the original budget.	October
1.26 RENOVATION GRANTS Windfall sums of £20k have been received as a consequence of repayments of Renovation Grants previously awarded.	October
1.27 EMERGENCY PLANNING Costs associated with dealing with Travellers such as Bailiffs and Hertfordshire Constabulary fees are	October

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<p>expected to over spend the Emergency Planning budget by £20k.</p>	
<p><b>Pride in East Herts</b></p>	
<p>1.28 CAR PARKS (PAY AND DISPLAY) A supplementary estimate was approved in 2010/11 to enable the car park pay and display machines to be altered to allow for a change in coinage.</p>	April
<p>1.29 CAR PARK COURT AND LEGAL FEES The Car Park's Court and Legal fees budgets will overspend by £10k due to a last minute 40% increase in debt registration fees imposed by the County Court.</p>	May
<p>1.30 CAR PARKS ADVERTISING The Car Park's advertising budget is anticipated to overspend by £15k due to the requirement to advertise new On-street Traffic Regulation Order for East Herts which is being prepared by Herts County Council. This was not advised at the point of preparing the 2011/12 budgets.</p>	May
<p>1.31 CCTV The Executive agreed in February 2011 that the subsidy towards the full cost of CCTV cameras in town centres be continued for 2011/12 only and that the issue be considered further as part of the Community Safety Review. The maximum income will be £52k which is £13k short to that stated in the Estimates.</p>	June
<p>1.32 RECYCLING MATERIALS HANDLING PROJECT The Recycling Materials Handling project to introduce sorting/bailing equipment has been delayed due to the new contract and this coupled with the volatility of material prices will result in an under spend of £40k.</p>	June
<p>1.33 WASTE CONTRACT BUDGETS There is an early warning that within various Waste Contract budgets there will be an under spend of approximately £125k in 2011/12 with a full year effect £136k resulting from implementing shared services with</p>	June

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neighbouring authorities through the new waste contractor. A full report will be submitted later in the year.	
1.34 HERTFORD THEATRE The planned hydro electric plant located at the Hertford Theatre has been delayed with an adverse £11k effect.	July
1.35 BULKY WASTE INCOME Bulky waste income is currently under recovering by 25% due to falling demand for the service and could result in a £13k adverse position.	July
1.36 WASTE CONTRACT – TRANSITION COST There is an early indication that the costs of transition to the new waste contract have been lower than expected to date and an under spend of £100k is probable.	July
1.37 KERBSIDE DRY RECYCLING INCOME There is a possible £80k under recovery of income due to falling tonnage of materials collected regards kerbside dry recycling. This is a national trend associated with the economic downturn.	July
1.38 RECYCLING BANKS MAINTENANCE The recycling banks maintenance costs are reducing following the successful removal of glass, cans and plastic banks thus resulting in a £8k favourable position.	July
1.39 KERBSIDE DRY RECYCLING INCOME The situation regarding Kerbside dry recycling income is estimating a shortfall of £120k as opposed to £80k reported last month due to falling tonnage of materials collected. This is a national trend associated with the economic downturn. In the event that there is no improvement in the position by year end short fall in income will be met by a call on the earmarked reserve set up to meet volatility in this income stream.	August
1.40 TEXTILE BANK SCHEME There is a net adverse position of £6k estimated on the Textile Bank scheme which is based on the first full	August

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months trading.	
1.41 CAR PARK TICKET ADVERTISING Income of £2k will not be achieved through advertising on car park tickets as there is no market for the service.	August
1.42 CAR PARK RESIDENTS SCHEME Income of £5k from car park charges at Elm Road will not be achieved due to the delay of the Chantry Residents Scheme.	August
1.43 TRADE WASTE SERVICE The net favourable position on the Trade Waste service of £23k is primarily as a result of an under spend on the contract of £33k resulting from lower levels of business in the current economic climate. Partly offset by £10k less income again as a result of the economic climate.	August
1.44 TRAVELLER INCURSION Unplanned expenditure of £1k for security costs at Grange Paddocks to prevent Traveller incursion has been incurred.	August
1.45 PARKING ENFORCEMENT There will be a saving of circa £30k on the Parking Enforcement contract as a result of a re-tendering process.	September
1.46 KERBSIDE DRY RECYCLING The Kerbside Dry Recycling expenditure budget is anticipated to overspend by £15k due to increased transport costs for mixed cans and plastics.	September
1.47 TRADE WASTE SACKS Income from the sale of Trade Waste sacks is expected to be £3k less due to reduced business.	September
1.48 LEAF CLEARANCE The Medium Term Financial Plan put to Council in February made no provision for the autumn leaf clearance programme from 2011/12. This work is undertaken as part of the Waste Collection contract. At the Council Meeting in February which amended the	September

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<p>MTFP there was a discrepancy between the cash sum requested and approved (£14k) to continue with leaf clearance for this year only and the level of work which many Members appear to have anticipated could be undertaken within the sum. To maintain leaf clearance at the same level as for 2010/11 which it is understood was Members expectations requires an additional £23,300 which is shown in the health check as an adverse variance.</p>	
<p>1.49 STREET CLEANSING</p> <p>There is currently an under spend on Street Cleansing due to shared services savings and lower costs of transition. However, there is also a possible under spend of £13k due to less ad-hoc work needed this year. This subject to weather conditions for the remainder of the year.</p>	October
<p><b>Shaping now, shaping the future</b></p>	
<p>1.50 NEW HOMES BONUS GRANT</p> <p>The DCLG announced the New Homes Bonus scheme. A sum of £415k has been awarded to East Herts Council. As yet, the MTFP makes no provision either for income from this source or how that income might be applied. The Local Development Panel will make proposals on the application of this funding for consideration by the Executive with recommendations to Council at its meeting on the 26 September 2011.</p>	April
<p>1.51 PLANNING DISCHARGE OF CONDITIONS</p> <p>Income from Planning Discharge of Conditions is predicted to be £12k favourable due to a greater level of developer activity than anticipated.</p>	June
<p>1.52 DEVELOPMENT CONTROL INCOME</p> <p>Development Control income has begun to fall against profile and as at the end of period five is £32k adverse. It is too early to predict an outturn.</p>	August
<p>1.53 DEVELOPMENT CONTROL</p> <p>Development Control income is falling and a shortfall of</p>	October



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£75k is anticipated. The volume of work is being maintained, but only low value activity.	
1.54 PRE-APPLICATION INCOME Applicants are seeking advice for planning in greater numbers and as a consequence will generate an additional £8k of pre application income.	October
1.55 LOCAL DEVELOPMENT FRAMEWORK There will be an under spend on the Local Development Framework budget of £60k as the next major stage in the LDF preparation process will be in 2012/13. This sum will slip and be added to Reserves. Therefore, there will be a neutral effect on the outturn at year end.	October
1.56 PLANNING APPEALS Additional costs associated with the Bishop's Stortford schools planning appeal coupled with further Planning issues will add a further £81k to the expected expenditure.	October
<b>LEADING THE WAY, WORKING TOGETHER</b>	
1.57 MEMBERS ALLOWANCE A review of the budget for Members Allowance has been identified an under spend of circa £65k.	July
1.58 MEMBERS IT EXPENSES Following a review of IT support given to Members, approval of a virement of £18k is sought from the projected under spend on Member's Allowance to cover Member IT expenses.	August
1.59 AUDIT FEES External Audit fees are likely to be £25k less due to no longer having to pay the Audit Commission coupled with a rebate from them. Plus the standard audit fee from Grant Thornton is less than budgeted for.	October