

ESSENTIAL REFERENCE PAPER 'I'

SUMMARY OF PREVIOUSLY REPORTED VARIANCES ON THE REVENUE BUDGET

Projected Outturn
31 March 2013
£'000

1.1	April	0	
	May	100	Favourable
	June-July	331	Favourable
	August	333	Favourable
	September	538	Favourable
	October	872	Favourable
	November	1,006	Favourable
	December	1,333	Favourable
	January	1,623	Favourable
	February	1,853	Favourable

	ITEM (in order of Corporate Priority)	MONTH(S) REPORTED
	People	
1.2	TURNOVER Salary budgets are constantly monitored and <u>Essential Reference Paper 'C'</u> shows the budget is broadly in line with the projected expenditure.	May
1.3	TURNOVER Salary budgets are constantly monitored and <u>Essential Reference Paper 'C'</u> shows a projected small under spend of £4k.	June-July
1.4	REVENUES AND BENEFITS At the Joint Revenues and Benefits Committee on 19 July 2012 it was identified that due to the increased workload and to avoid increasing backlogs of work both councils needed to fund an additional £201k each for agency staff to support the service. As a consequence a Supplementary Revenue estimate from the council of £120k requires approval. The greater than allowed for	June-July

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under spend in 2011/12 permits for this funding to be approved from the general reserve.	
1.5 COMMUNITY PLANNING Income of £58,800 was received in 2011/12 for Community Planning Resource Mapping, but the final payment of £11,169 was not made until 2012/13.	June-July
1.6 STANSTED AREA HOUSING PARTNERSHIP Stansted Area Housing Partnership – As part of the process for granting planning permission for the expansion of Stansted Airport, the section 106 agreement provided a sum of money for affordable housing in East Hertfordshire. This sum of money amounts to approximately £358,000. At present a site in Sawbridgeworth is being developed, with section 106 agreement providing for affordable homes. The site meets the location criteria of the Stansted S.106.	June-July
1.7 TURNOVER Salary budgets are constantly monitored and <u>Essential Reference Paper 'C'</u> shows a projected small under spend of £34k.	August
1.8 PEST CONTROL Due to extremely low levels of wasp nest treatments income is anticipated to be down by £16k. This is partly off set by a reduction in external resources, to supplement house resources of £11k. Giving a net £5k projected adverse position.	August
1.9 ANIMAL CONTROL Envirocrime and the Dog Control Officer have been very effective at re-homing stray dogs and keeping kennelling costs to a minimum, despite no reduction in the number of stray dogs. Thus projecting a saving of £6k.	August
1.10 TURNOVER Salary budgets are constantly monitored and <u>Essential Reference Paper 'C'</u> shows a projected small under	September

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spend of £71k.	
<p>1.11 PEST CONTROL</p> <p>Due to extremely low levels of wasp nest treatments income is anticipated to be down by £16k. This is partly off set by a reduction in external resources, to supplement in house resources, of £11k giving a net £5k projected adverse position.</p>	September
<p>1.12 ANIMAL CONTROL</p> <p>The Dog Control Officer has been very effective at rehoming stray dogs and keeping kennelling costs to a minimum, despite no reduction in the number of stray dogs. Thus projecting a saving of £6k.</p>	September
<p>1.13 TURNOVER</p> <p>Salary budgets are constantly monitored and <u>Essential Reference Paper 'C'</u> shows a projected small under spend of £97k.</p>	October
<p>1.14 REVENUES AND BENEFITS SHARED SERVICE</p> <p>There is a net of £21k as a consequence of finalising the 2011/12 outturn position regarding the Revenues and Benefits Shared Service with Stevenage Borough Council.</p>	October
<p>1.15 EMERGENCY PLANNING</p> <p>The £5k budget for Emergency Planning equipment will not be required this year.</p>	October
<p>1.16 IMPROVEMENT GRANTS</p> <p>Predicted windfall sums totalling £8k are expected as recipients of Improvement Grants repay them according to the terms and conditions on which they were awarded.</p>	October
<p>1.17 HOUSING OPTIONS TEAM</p> <p>The Housing Options Team's Supplies and Services budget is expecting to be under spent by £13k.</p>	October
<p>1.18 HOUSING OPTIONS SERVICE</p> <p>It is expected that not all the budgeted expenditure within</p>	October

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the Housing Options Service will be required totalling £36k.	
1.19 HILLCREST HOSTEL The rent income derived from Hillcrest Hostel should exceed the budget by £5k.	October
1.20 ELECTORAL REGISTRATION The Electoral Registration budget is estimating an over spend of £12k.	October
1.21 REVENUES AND HOUSING BENEFITS Summons Costs recovered due to non payment of Council Tax and National Non Domestic Rates is estimating to be £14k adverse from the original estimate.	October
1.22 HOUSING BENEFITS SERVICE The net overall position on the Housing Benefits Service is a favourable £106k. This is based on subsidy being greater than that estimated and in line with the 2011/12 actual position.	October
1.23 NEW HOMES BONUS GRANT Income from the New Homes Bonus Grant is anticipated to be £35k greater than that estimated in part due to timings in payments made to East Herts Council.	October
1.24 SECTION 106 RECEIPTS Following a review of Section 106 receipts held by the Council CMT recommended on the 25 September 2012 a sum of £62,634.64 be added to the General Reserve as the Council's obligations are deemed to have been met.	October
1.25 TURNOVER Salary budgets are constantly monitored and <u>Essential Reference Paper 'C'</u> shows a projected small under spend of £119k.	November
1.26 WALLFIELDS RATES A successful challenge to the rateable value of Wallfields has resulted in a net back dated reduction of £26k in the sum paid as National Non Domestic Rates.	November

ITEM (in order of Corporate Priority)	MONTH(S) REPORTED
1.27 TURNOVER Salary budgets are constantly monitored and <u>Essential Reference Paper 'C'</u> shows a projected underspend of £165k.	December
1.28 LEISURE CONTRACT There is an expected under spend of £22k on the leisure contract management fee due to a negotiated reduction following the Council's capital investment in new gym equipment.	December
1.29 WEB FRONT PAGE TEMPLATE £5,000 in respect of a 'web front page template'. It is recommended that this is funded by an underspend in the external customer services security budget.	December
1.30 TURNOVER Salary budgets are constantly monitored and <u>Essential Reference Paper 'C'</u> shows a projected underspend of £153k.	January
1.31 COST OF CHANGE After allowing for further shared service preparation costs of £17k the Cost of Change budget is anticipating an underspend of £37k.	January
1.32 HOUSING BENEFIT A review of the Bad Debt provision required for Housing Benefit may utilise any underspend that is estimated to be generated.	January
1.33 TOILETS WALLFIELDS CMT have requested further costings for the refurbishment of the toilets in Wallfields. Therefore, there is likely to be an underspend in 2012/13 of £40k.	January
1.34 TURNOVER Salary budgets are constantly monitored and <u>Essential Reference Paper 'C'</u> shows a projected underspend of £155k.	February

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<p>1.35 LEGAL FEES-ASSET RECOVERY ACTION</p> <p>The Council is due £182k as a result of illegal asset recovery action regarding airport parking. Due to materiality this sum will be credited to the 2012/13 accounts, although the actual payment is not expected until 2013/14.</p>	February
<p>1.36 SECURITY SERVICES</p> <p>Customer Services joined a joint procurement arrangement with Hertfordshire authorities, led by Stevenage, in respect of cash collection services. This has significantly reduced the costs of collection such that there is an overall saving of £7k. £5k of this is to be used to fund the web front page template and email web functionality as requested in the December Healthcheck. Thus leaving a net £2k saving.</p>	February
<p>1.37 BUDGET CONSULTATION</p> <p>On line budget consultation was deferred in favour of lighter touch focus groups with business leaders. Thus leading to a £5k underspend. Funds are required for next year to boost consultation around the biennial resident's survey.</p>	February
<p>1.38 COMMUNITY ENGAGEMENT</p> <p>The Community Engagement budget will be £5k underspent. This demand led fund for Councillors has experienced low take up in its first year. A request will be made for the fund to be carried forward into 2013/14 into the new small community grant fund.</p>	February
<p>1.39 BUS SUBSIDY</p> <p>Due to a contribution from Herts County Council towards the Olympic torch relay traffic management budget there is a £3k underspend.</p>	February
<p>Place</p> <p>1.40 WASTE CONTRACT</p> <p>Early indications show that the costs of transition to the new waste contract have to date been lower than</p>	May

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<p>expected and an under spend of up to £100k is possible.</p>	
<p>1.41 RECYCLING INCOME</p> <p>An under recovery of £59k of recycling income is expected from the sale of recyclable materials collected at the kerbside believed to be due to the economic downturn and the increasing use of electronic communication (reducing the amount of newspapers and magazines consumed).</p>	June-July
<p>1.42 ORGANIC WASTE</p> <p>There is a likely under spend in the contracted costs of organic waste collection of £50k</p>	June-July
<p>1.43 MATERIALS HANDLING</p> <p>An under spend of £7k is expected in the costs of materials handling at the Service Centre.</p>	June-July
<p>1.44 ENVIRONMENT AGENCY</p> <p>The Environment Agency has withdrawn the funding for the land drainage work East Herts carries out on their behalf. This has repercussions for the cost of any similar work that would have been carried out by East Herts under the same terms. A separate report will be considered by Corporate Management Team.</p>	June-July
<p>1.45 BULKY WASTE INCOME</p> <p>Bulky waste income is forecasting a £6k adverse variance believed to be due to the economic climate.</p>	June-July
<p>1.46 RECYCLING BANKS</p> <p>As there are less recycling banks to maintain there is a forecast under spend of £7k.</p>	June-July
<p>1.47 CLINICAL WASTE COLLECTION</p> <p>Clinical Waste Collection income is forecasting additional income of £6k due to additional business in the first part of the year.</p>	June-July
<p>1.48 KERBSIDE DRY RECYCLING</p> <p>The kerbside dry collections budget is likely to be overspent by £18k. £11k is due to indexation on fuel</p>	August

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being higher than forecasted and £7k is due to property growth, as approximately 1,000 more flats are receiving full recycling services.	
1.49 ALTERNATIVE FINANCIAL MODEL The latest Altrernative Financial Model (waste reduction) income forecast for 2011/12 is £419,000. £16k below the sum accrued.	August
1.50 TRADE WASTE COLLECTION The Trade Waste Collection service is estimating an additional £20k of income due to an increased level of business. This will be partly off set by additional costs of £12k, giving a net £8k favourable position.	August
1.51 WASTE CONTRACT The waste contract covers various budgets but there are lower costs of transition to date and an under spend of £200k is anticipated for 2012/13. This may not be transferable into 2013/14 base budgets if recycling collection costs increase with the removal of card from the organic bins. A report will be brought to the Executive in December 2012.	September
1.52 PAPER AND TEXTILE BANKS The income and expenditure budgets relating to paper and textile banks are predicting a net £9k favourable variance due to a combination of lower paper usage and additional textile tonnage collected.	September
1.53 CLINICAL WASTE COLLECTION The clinical waste collection and disposal budgets are currently under spending amounting to circa £7k.	September
1.54 KERBSIDE DRY COLLECTIONS The kerbside dry collections budget is likely to be overspent by £18k. £11k is due to indexation on fuel being higher than forecasted and £7k is due to property growth, as approximately 1,000 more flats are receiving full recycling services.	September
1.55 ALTERNATIVE FINANCIAL MODEL	September

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<p>The latest Alternative Financial Model (waste reduction) income forecast for 2011/12 is £419,000. £16k below the sum accrued.</p>	
1.56 TRADE WASTE COLLECTION	September
<p>The Trade Waste Collection service is estimating an additional £21k of income due to an increased level of business. This will be partly offset by additional costs of £10k, giving a net £11k favourable position.</p>	
1.57 TRADE WASTE BINS	September
<p>The delivery of trade waste bins coupled with lower trade waste disposal costs shows a £22k favourable under spend. £2k relates to under spending on bin delivery and £20k relates to lower disposal costs due to businesses producing less weight per capita.</p>	
1.58 STREET CLEANSING	
<p>There is £4k additional street cleansing income received and a possible £50k under spend on the street cleansing contract due to lower than expected ad-hoc cleansing work. This may vary according to weather conditions, particularly if there is the need for ad-hoc work in the winter months.</p>	
1.59 LAND DRAINAGE	September
<p>The Environment Agency has withdrawn the funding for the land drainage work East Herts carries out on their behalf. This has repercussions for the cost of any similar work that would have been carried out for East Herts under the same terms. In addition, circa £40k of administrative costs will be lost. A separate report will be forwarded to CMT on the subject in due course.</p>	
1.60 SAFER STRONGER COMMUNITIES	September
<p>Only £28k was received from Herts County Council for Safer Stronger Communities against a budgeted figure of £55k. A proportion of this was to fund Police Community Support Officers. There is also a requirement from the Home Office to compile a specialised report on a Homicide within the District. This will result in an</p>	

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<p>estimated net adverse position of £21k.</p> <p>1.61 HERTFORD THEATRE</p> <p>There is a predicted £8k overspend on the Hertford Café Supplies budget.</p>	October
<p>1.62 STREET CLEANSING</p> <p>There is a possible underspend due to lower than expected ad-hoc cleansing work within the Street Cleansing contract of £80k. This may vary according to the weather conditions need for ad-hoc work in winter months. There is also an additional £4k of income received for cleansing services. Last month these were reported as £54k favourable (£50k AND £4k).</p>	December
<p>1.63 BUNTINGFORD SERVICE CENTRE</p> <p>There is a predicted underspend of £15k on the Buntingford Depot electricity budget largely due to an over estimated amount relating to 2011/12.</p>	December
<p>1.64 HERTFORD THEATRE</p> <p>Income from Hertford Theatre is predicting to be £50k more than estimated. £20k of this sum is from the pantomime.</p>	December
<p>1.65 TRANSPORT SUBSIDY-REFUSE COLLECTION</p> <p>The transport subsidy for Refuse Collection is expected to be £11k higher than estimated.</p>	December
<p>1.66 STREET NAME PLATES</p> <p>Due to staffing resources the spend on Street Name Plates renewal is likely to be £9k less than the budget of £14k.</p>	January
<p>1.67 DOMESTIC REFUSE CONTRACT</p> <p>There is an expectation of a £15k underspend on the Domestic Refuse contract. This is in addition to any other sums reported above.</p>	January
<p>1.68 FOOTPATH LIGHTING</p> <p>Issues regarding responsibility for the payment of certain footpath lighting invoices have resulted in protracted</p>	February

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<p>discussions between the energy provider, East Herts Council and other bodies. Whilst endeavouring to conclude arrangements, legal costs of £9k from the energy company have been incurred.</p>	
Prosperity	
<p>1.69 BUILDING CONTROL INCOME</p> <p>If the current trend continues the indications are a short fall of circa £150k in Building Control income. Processes being considered to rectify the situation are to possibly increase fees and potential other sources of income.</p>	June-July
<p>1.70 CAR PARKING PAY AND DISPLAY</p> <p>Car Parking Pay and Display income is predicted to produce a £89,000 favourable variance by year end.</p>	June-July
<p>1.71 CAR PARKING PENALTY CHARGE NOTICE</p> <p>Car Parking Penalty Charge Notice income is under achieving as at the end of July and is likely to show a shortfall of circa £75k. This is due in part to the bedding in of the new enforcement contract and the inability to process Notices to owners due to a new system migration at DVLA.</p>	June-July
<p>1.72 INVESTMENT INCOME</p> <p>Investment funds have been and are continuing to be placed on fixed deposit with U.K. clearing banks to take advantage of the rates being offered. (See report to Council July 2012). Expectations are that the 2012/13 estimated Investment income will be exceeded by circa £350k.</p>	June-July
<p>1.73 AUDIT FEES</p> <p>A reduction in core audit fees of £20k will result in a favourable variance.</p>	June-July
<p>1.74 SHARED INTERNAL AUDIT SERVICE</p> <p>The Shared Internal Audit Service Board agreed on the 7 December 2011 to increase the daily charge for Audit services from £240/day to £255/day. An increase of 6.25%. The effect of this coupled with a prior year</p>	August

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<p>adjustment will have an adverse £17k on the budget.</p> <p>1.75 PARKING ENFORCEMENT CONTRACT</p>	September
<p>The Parking Enforcement contract is anticipated to show an under spend of £89k. Two projects (mobile camera enforcement and vehicle removals) will go live next year so operational costs will not be incurred this financial year. There is also a contractor under spend relating to vacancies in management which the Council benefits from.</p>	
<p>1.76 PENALTY CHARGE NOTICE INCOME</p> <p>Penalty Charge Notice income remains as an adverse variance currently projected to be £150k due to the failure of contractor equipment and management arrangements.</p>	September
<p>1.77 INVESTMENT INCOME</p> <p>As a consequence of withdrawing investment income from the Council's fund managers and re-investing in fixed term deposits, fees for managing these funds will reduce by £30k.</p>	September
<p>1.78 SHARED INTERNAL AUDIT SERVICE</p> <p>The Shared Internal Audit Service Board agreed on 7 December 2011 to increase the daily charge rate for Audit Services from £240/day to £255/day. An increase of 6.25%. The effect of this will have an adverse £7k on the budget.</p>	September
<p>1.79 DEVELOPMENT CONTROL</p> <p>Budgets within Development Control for advertising and postage are estimated to underspend by £25k. Advertising is in line with last year's expenditure and other forms of communication are being used therefore postage costs are falling.</p>	September
<p>1.80 LOCAL DEVELOPMENT FRAMEWORK</p> <p>Commitments to date on the Local Development Framework suggest there will be a saving of £10k.</p>	September
<p>1.81 DEVELOPMENT CONTROL INCOME</p>	September

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Development Control income is down by £80k against profile. Some of the shortfall may be recovered depending on when a large application for Bishop's Stortford is received.	
1.82 CORPORATE AND DEMOCRATIC CORE Expenditure relating to the Democratic Core projects an under spend of £22k. Primarily due to savings on Members Expenses (£17K) and Allowances (£5K).	October
1.83 MARKETS The Traffic Regulation Order on North Street Bishop's Stortford is not being renewed which will have an on going £8k adverse effect on income.	October
1.84 DEVELOPMENT CONTROL SERVICE There is considerable public interest in receiving pre-planning advice which is generating an additional £35k of income.	October
1.85 DEVELOPMENT CONTROL SECTION The budget for Planning copyright fees of £8k will not be required this year.	October
1.86 BIRCHERLEY GREEN CAR PARK A large credit of £19k has been received from Veolia Water following a leak at the public conveniences in Bircherley Green car park.	November
1.87 INVESTMENT INCOME The planned changes to the investment portfolio have now been completed including the withdrawal of all funds from Scottish Widows Investment Partnership. Investment interest is now predicted to exceed the budget by £410k for 2012/13.	November
1.88 CAR PARK INCOME Given the current use Pay and Display income will exceed the budget by £120k. This was reported last month as £90k favourable. Furthermore, problems with the DVLA systems resulted in a write off of approximately £20k in Penalty Charge Notice income. The systems fully operational now. The	December

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<p>failure of the contractors IT equipment and changes in contractor staff including management have impacted on PCN issue which has impacted on income. Close contract supervision has now rectified performance and the projected adverse variance is now £120k compared to £150k last month. These two movements between months have resulted in a net £60k favourable variance.</p> <p>1.89 DEVELOPMENT CONTROL INCOME</p>	December
<p>A number of development proposals have materialised that were unforeseen and the plans for the large development at Bishop's Stortford North are about to be submitted thus indicating that the budget will be achieved this year and the £80k adverse variance reported last month will not now occur.</p> <p>1.90 DEVELOPMENT CONTROL</p>	December
<p>A saving on staff training in Development Control is expected as all current staff has completed their professional training.</p> <p>1.91 DEVELOPMENT CONTROL APPEALS</p>	December
<p>There will be additional Development Control Appeals costs of circa £15k as there are additional consulting costs associated with the Bennington Turbine appeal.</p> <p>1.92 CONSULTANCY FEES</p>	January
<p>The demand on the corporate consultancy budgets suggests that there will be an underspend of £33k.</p> <p>1.93 DISTRICT BY-ELECTIONS</p>	January
<p>The £10k budget in the event of any District by-elections will not be required this year. However, there maybe pressure on the 2013/14 budget in the event of any by-elections in May.</p> <p>1.94 CAR PARKS PAY & DISPLAY MACHINES</p>	January
<p>The maintenance of the car parks pay and display machines are now accommodated within the NSL contract, therefore there will be a saving of £10k.</p> <p>1.95 PRIORITY SPEND</p>	January
<p>The use of Priority Spend monies funded from the New</p>	

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<p>Homes Bonus grant was allocated to support the Council's Economic Development Strategy. There is a projected underspend of £124k with the intention of putting this into an earmarked reserve.</p>	
<p>1.96 MEMBERS ICT EXPENSES</p>	February
<p>In response to the External Auditors recommendations in relation to Members ICT expenses a process to recover circa has been established.</p>	
<p>1.97 BUSINESS ADVICE</p>	February
<p>A carry forward request of circa £9k will be submitted as schemes relating to economic business advice have not been identified in time to spend this year.</p>	
<p>1.98 ENVIRONMENTAL CO-ORDINATION</p>	February
<p>There will be a £6k underspend on the Environmental Co-ordination budget, partly due to voluntary organisations not taking up the grants in 2011/12 and 2012/13.</p>	