

ESSENTIAL REFERENCE PAPER E

SUMMARY OF PREVIOUSLY REPORTED VARIANCES ON THE REVENUE BUDGET

| | | Projected Outturn 31 March 2014 £'000 | |
|-----|---------------------|---|------------|
| 1.1 | April | 0 | |
| | May | 225 | Favourable |
| | June | 349 | Favourable |
| | July | 340 | Favourable |
| | August | 290 | Favourable |
| | September | 138 | Favourable |
| | October | 307 | Favourable |
| | November (CMT only) | 526 | Favourable |

| ITEM (in order of Corporate Priority) | | MONTH(S) REPORTED |
|---------------------------------------|--|----------------------|
| People | | |
| 1.2 | TURNOVER There are no financial issues this month regarding this priority. | April |
| 1.3 | TURNOVER A new payroll system has been installed and staff are being successfully paid. However, the output from the system has yet to be tested for interfacing into the General Ledger (financial system). As a consequence there is no information on budgetary monitoring for April and May. | May |
| 1.4 | TURNOVER April and May sickness absence data for EHPI 12c – Total number of sickness absence days per FTE being restated (paragraph 2.9 of report). | July |

| ITEM (in order of Corporate Priority) | MONTH(S) REPORTED |
|---|------------------------------|
| <p>1.5 TURNOVER</p> <p>The Forecast Outturn for 2013/14 is expected to result in an adverse variance of £113k. The projection includes the part year cost of Pensions Auto Enrolment</p> | August |
| <p>1.6 TURNOVER</p> <p>The Forecast Outturn for 2013/14 is expected to result in an adverse variance of £97k</p> | September |
| <p>1.7 TURNOVER</p> <p>The Forecast Outturn for 2013/14 is expected to result in an adverse variance of £121k</p> | October |
| <p>1.8 TURNOVER</p> <p>The Forecast Outturn for 2013/14 is expected to result in an adverse variance of £112k</p> | September |
| <p>1.9 NEW HOMES BONUS GRANT</p> <p>The Government has released additional New Homes Bonus grant monies. As a consequence East Herts Council has received a windfall sum of £20k.</p> | May |
| <p>1.10 COLLECTION FUND</p> <p>Upon finalising the balance on the Council Tax Collection Fund there is a £55k favourable position.</p> | May |
| <p>1.11 REVENUES AND BENEFITS SERVICE</p> <p>Additional DWP support has been received totalling £38k to assist with the ongoing cost of the Welfare Reform arrangements. The additional funding will be spent by the end of the financial year.</p> | August |
| <p>1.12 COMMUNITY CAPITAL GRANTS</p> <p>£54,900 of the Community Capital Grants budget to be re-profiled from 2013/14 to 2014/15. (Para 2.38 to Report)</p> | July |
| <p>1.13 DISCRETIONARY DISABLED FACILITIES</p> <p>In accordance with Financial Regulation 4.5.5, the virement of £21,000 from Discretionary Disabled Facility Grants capital budget into the Historic Buildings Grant budget. (Para 2.39 of Report).</p> | July |

| ITEM (in order of Corporate Priority) | MONTH(S) REPORTED |
|---|----------------------|
| <p>1.14 CAPITAL PROGRAMME</p> <p>Reprofile of Capital Programme for Portfolio as follows:</p> <ul style="list-style-type: none"> • People – Social Housing Schemes - £820,740. • People – Community Capital Grants - £21,100. | September |
| <p>1.15 Revenues and Benefits Recovery of Summons Costs</p> <p>A review of income recovery for summons costs has resulted in the identification of an adverse variance of £25,000 for the financial year.</p> | October |
| <p>1.16 Welfare Reform budget</p> <p>The budget for 2013/14 is currently showing an underspend with no further commitment identified against the budget a likely favourable variance of £97,000 is forecast.</p> | October |
| Place | |
| <p>1.17 PLANNING CONTINGENCY</p> <p>The 2013/14 budget includes a planning contingency sum of £600k which allows for unforeseen events to be funded in-year. The changes that were agreed in February 2013 to the current recycling provision in East Herts have now been financially evaluated and a paper is included as <u>Essential Reference Paper 'F'</u> that details the latest available financial information. Due to changes in funding available from County, a reduction in the value achievable through sale of the vehicles and reductions in expenditure, £24,606 is required from the planning contingency to allow the scheme to remain affordable</p> <p>The current assumptions are that the remainder of this budget are also fully utilised in 2013/14 but no further call is made on this budget, then the Council will have an under spend of £575k. Future Healthchecks will consider if there are any further calls on this sum.</p> | April |

| ITEM (in order of Corporate Priority) | MONTH(S) REPORTED |
|---|----------------------|
| <p>1.18 PLANNING CONTINGENCY</p> <p>The original 2013/14 budget included a planning contingency sum of £600k which allows for unforeseen events to be funded in-year. In the April corporate healthcheck it was agreed that some of this funding will be used to support the new recycling initiative. This left a balance of £575k which if not required during the year will result in an additional favourable variance from the £225k reported this month.</p> | May |
| <p>1.19 PLANNING CONTINGENCY</p> <p>The original 2013/14 budget included a planning contingency sum of £600k which allows for unforeseen events to be funded in-year. It has been agreed that some of this funding will be used to support further initiatives namely a Housing Needs survey and a Human Resources post. Currently there is a balance of £511k which if not required during the year will result in an additional favourable variance from the £349k reported this month.</p> | June |
| <p>1.20 PLANNING CONTINGENCY</p> <p>CMT agreed on 16 July 2013 to vire £40k of the Planning Contingency budget for the Housing Needs Survey. They also agreed to vire a sum for an additional Human Resources admin post for one year on scale 5. It is assumed that the funding required in 2013/14 will be for eight months at circa £16k. This will be result in a cost of circa £8k falling in 2014/15 in respect of the balance of four months.</p> | June |
| <p>1.21 PLANNING CONTINGENCY</p> <p>In accordance with Financial regulations 4.5.5, the £40k virement form Planning Contingency budget agreed by CMT on 16 July for Housing Needs Survey. (Para 2.10 of Report)</p> | July |
| <p>1.22 PLANNING CONTINGENCY</p> <p>The planned appropriation to the interest equalization reserve in 2013/14 being reduced in line with any</p> | July |

| ITEM (in order of Corporate Priority) | MONTH(S) REPORTED |
|---|----------------------|
| shortfall in investment income arising in the current year. (Para 2.27 of Report. | |
| <p>1.23 PLANNING CONTINGENCY</p> <p>The original 2013/14 budget included a planning contingency sum of £591k which allows for unforeseen events to be funded in-year. Currently there is a balance of £502k which if not required during the year will result in an additional favourable variance from the £209k reported this month.</p> | August |
| <p>1.24 PLANNING CONTINGENCY</p> <p>The original 2013/14 budget included a planning contingency sum of £591k which allows for unforeseen events to be funded in-year. Currently there is a balance of £502k which if not required during the year will result in an additional favourable variance from the £138k reported this month</p> | September |
| <p>1.25 PLANNING CONTINGENCY</p> <p>The original 2013/14 budget included a planning contingency sum of £591k which allows for unforeseen events to be funded in-year. Currently there is a balance of £467k which if not required during the year will result in an additional favourable variance over and above the £307k reported for the period.</p> | October |
| <p>1.26 PLANNING CONTINGENCY</p> <p>The original 2013/14 budget included a planning contingency sum of £591k which allows for unforeseen events to be funded in-year. Currently there is a balance of £452k which if not required during the year will result in an additional favourable variance over and above the £526k reported for the period. These budgets are for one-off areas of spend. No permanent service growth has been identified for the service costs detailed below for inclusion in the 2014/15 base budget.</p> | |

| ITEM (in order of Corporate Priority) | MONTH(S) REPORTED |
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| <p>1.27 CCTV</p> <p>There has been a CCTV refund of £8k received from Stevenage Council in respect of previous years running costs.</p> | June |
| <p>1.28 GREEN WASTE COLLECTION</p> <p>There is a possible under spend on Green Waste collection of £40k (subject to the implementation of the new recycling scheme). This is due to limited opportunities to implement organic waste collection from hard to reach properties and contract design efficiencies.</p> | June |
| <p>1.29 RECYCLING BANKS MAINTENANCE</p> <p>There is an expected under spend of at least£5k on the maintenance of recycling banks. Recycling banks have been reduced in recent years to collect textiles and paper only. There is a reduction in the number of sites due to supermarkets making their own arrangements expected. Members chose not to implement cardboard recycling banks as part of the new recycling service.</p> | June |
| <p>1.30 CLINICAL WASTE</p> <p>Business in the first quarter suggests additional income of £20k with Clinical Waste.</p> | June |
| <p>1.31 STREET CLEANSING</p> <p>There is an under spend of £25k in the Street Cleansing service due to contract efficiencies.</p> | June |
| <p>1.32 GROUNDS MAINTENANCE</p> <p>There is a net saving of £13k in the Grounds maintenance contract as Hertford Town Council has taken over the maintenance of the Castle grounds under a service level agreement. This was a Non Key decision report made in September 2012.</p> | June |
| <p>1.33 TRADE WASTE</p> <p>Due to an increase in Trade Waste business, income is predicting to be £60k greater than expected. This is partly off set by increased operating costs.</p> | August |

| ITEM (in order of Corporate Priority) | MONTH(S) REPORTED |
|--|----------------------|
| 1.34 RECYCLING A reduction in paper tonnage collected is likely to result in reduced income of £10k for the year. | August |
| 1.35 RECYCLING Since the last reporting period the forecast outturn for Kerbside Dry recycling has been reduced to £23,000. Dry Recycling Income is forecast to result in an adverse variance of £15,000. | September |
| 1.36 RECYCLING A favourable variance has been identified of £81,000 on the payments from County for diversion of waste from landfill as a result of the implementation of the SPARC (Separate Paper and Recycling Collections). In line with the national trend, Dry Recycling income is now forecast to result in an adverse variance of £80,000 (£15,000 for September Healthcheck) by the end of the financial year. | October |
| 1.37 ENERGY EFFICIENCY AND CARBON REDUCTION MEASURES – CAPITAL BUDGET Re profile £45,000 Energy Efficiency and Carbon Reduction capital budget to 2014/15 from 2013/14. | August |
| 1.38 Separate Paper and Recycling Collections A favourable variance has been identified of £16,000 for transport subsidy in relation to the implementation of the SPARC (Separate Paper and Recycling Collections). | November |
| 1.39 Playground Inspections Playground inspection costs are expected to be lower than anticipated - (£11.5k favourable variance). | November |
| 1.40 Pest Control and Leisure Income Income for Pest Control and Leisure Services is forecast to under achieve by £34k approximately in total. | November |

| ITEM (in order of Corporate Priority) | MONTH(S) REPORTED |
|--|----------------------|
| <p>1.41 CAPITAL PROGRAMME Reprofile of Capital Programme for Portfolio as follows:</p> <ul style="list-style-type: none"> • Place – Parks – Hartham Common - £25,000. • Place – Castle weir Micro Hydro Scheme - £203,980. | September |
| <p>1.42 LOCAL DEVELOPMENT PLAN The budget for the Local development Plan upkeep is not required for 2013/14 resulting in a favourable variance of £60,000.</p> | October |
| <p>1.43 PRIORITY SPEND A forecast outturn of £30,000 is expected on the Priority Spend budget for 2013/14. In view that the budget supports medium to short term economic development the uncommitted budget for 2013/14 will be transferred to the New Homes Bonus Priority Reserve.</p> | October |
| Prosperity | |
| <p>1.44 DEVELOPMENT CONTROL FEES</p> <p>With income of £125k received from Bishop's Stortford North Development and the underlying income being maintained for the first two months an extra £150k is expected at this point in time.</p> | April |
| <p>1.45 DEVELOPMENT CONTROL FEES</p> <p>With Development Management income of £125k received from the Bishop's Stortford North Development and the underlying income being maintained, the forecast outturn for income is expected to increase by £300k (revised from £250k in July 2013). Larger fees are being received for proposed developments in Buntingford and Hertford.</p> | August |

| ITEM (in order of Corporate Priority) | MONTH(S) REPORTED |
|---|----------------------|
| <p>1.46 DEVELOPMENT CONTROL FEES</p> <p>With Development Management income of £125k received from the Bishop's Stortford North Development and the underlying income being maintained, the forecast outturn for income is expected to increase by £330k (revised from £300k in July 2013). Larger fees are being received for proposed developments in Buntingford and Hertford.</p> | September |
| <p>1.47 DEVELOPMENT CONTROL FEES</p> <p>With Development Management income of £125k received from the Bishop's Stortford North Development and the underlying income being maintained, the forecast outturn for income is expected to increase by £450k (revised from £330k in September 2013). Larger fees are being received for proposed developments in Buntingford and Hertford.</p> | October |
| <p>1.48 DEVELOPMENT CONTROL FEES</p> <p>In line with increased development activity in the District, pre application advice is expected to increase resulting in a forecasted favourable variance of £25,000.</p> <p>However Planning Appeals are expected to increase in 2013/14 resulting in a forecast adverse variance of £60,000 for the additional costs.</p> | September |
| <p>1.49 PLANNING APPEALS</p> <p>2.1 The adverse variance on Planning Appeals has been revised to £160,000 (£60,000 for September Healthcheck).</p> | October |
| <p>1.50 CAR PARK INCOME</p> <p>There has been a £12k loss of Car Park income (£5k stolen) due to machines being broken into and then out of action (£7K).</p> | June |

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|--|----------------------|
| <p>1.51 CAR PARK INCOME</p> <p>Due to significant volatility in car park use, the 2013/14 income budget for Pay and Display Parking will not be achieved, a shortfall of £160k is anticipated. This includes a shortfall in the income forecast to result from the re-designation of Link and Northgate End car parks.</p> <p>A realignment of supermarket parking reimbursement fees is forecast to result in a favourable variance of £46k.</p> | August |
| <p>1.52 CAR PARKING EXPENDITURE</p> <p>A contingency in the Enforcement contract is now no longer required resulting in a favourable variance of £50k. The implementation of a mobile enforcement vehicle has been delayed until 2014/15 resulting in a further favourable variance of £29k. These are in addition to the favourable contract variation of £20k reported in the prior period due to the abandonment of vehicle removals.</p> | August |
| <p>1.53 CAR PARK INCOME</p> <p>2.2 Parking PCN income is expected to be £75,000 lower than expected by the end of the financial year. Officers are satisfied that the issue and processing arrangements for the service are robust. The adverse variance may have an ongoing impact for the 2014/15 budget. This adverse variance is partially offset by higher than expected season ticket sales at Bishop Stortford (£9,000). However the car washing income for Hertford is no longer a feasible income stream.</p> | September |
| <p>1.54 INVESTMENT INTEREST</p> <p>The planned appropriation to the interest equalization reserve in 2013/14 being reduced in line with any shortfall in investment income arising in the current year.</p> | July |

| ITEM (in order of Corporate Priority) | MONTH(S) REPORTED |
|--|----------------------|
| (Para 2.27 of Report. | |
| 1.55 INVESTMENT INTEREST Lower than expected returns on the Council's investment portfolio are likely to result in a revised adverse variance of £150,000 (£100,000 September Healthcheck). | October |
| 1.56 MARKET INCOME In line with national trends Market licence income has experienced a downturn as a result of fewer market traders. | October |
| 1.57 IT – MERGING OF LICENSING AND ENVIRONMENTAL HEALTH CAPITAL BUDGET That £15,000 of the IT merging Licensing and Environmental Health capital budget is re- profiled from 2013/14 into 2014/15. | July |
| 1.58 Housing Strategy Government Grant of £50k is forecast to be received to support the Council's Housing Strategy. | November |
| 1.59 A favourable variance of £9k is expected for the Shared Audit Service due to a forecast reduction in audit days allocated to East Herts. | November |
| 1.60 CAPITAL PROGRAMME Reprofile of Capital Programme for Portfolio as follows: <ul style="list-style-type: none"> <li data-bbox="391 1619 1162 1694">• Prosperity – Automated Telling Machines at Hertford and B/Stortford - £12,800. | September |
| 1.61 CAPITAL PROGRAMME 2.3 CMT are asked to support the re-profile of £0.777 million within the Capital Programme to 2014/15 as follows: | October |

ITEM (in order of Corporate Priority)

**MONTH(S)
REPORTED**

- People – Various schemes totalling £421,960
- Place – Various schemes totalling £35,760.
- Prosperity – Various schemes totalling £319,750.
- CMT are asked to support a request to bring forward £14,950 for the 2014/15 Community Capital Grants budget. This reflects 2012/13 grant commitment no longer required and can be reallocated to other projects in 2013/14.
- CMT are asked to support a capital budget of £45,000 for investment of property

1.62 CAPITAL PROGRAMME

November

There are no reprofiling requests for the reporting period to 30 November 2013