

STRATEGIC OVERVIEW AND SCRUTINY COMMITTEE

28th November 2011

Agenda Item 7

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SUBMISSION BY CLLR MJ WILCOX, THE LEADER OF THE COUNCIL & THE CABINET MEMBER FOR FINANCE, REVENUES & BENEFITS

Half Year Review of Performance against the Financial Strategy 2011/12

1. Purpose of Report

- 1.1. To provide Members with the opportunity to scrutinise the Council's financial performance to 30th September 2011, with a particular focus on the parts of our services/businesses which represent a higher risk to the Council by reviewing trends in income, expenditure and costs.
- 1.2. To provide the views of Members from this Committee to Cabinet at its meeting of 29th November 2011, when Cabinet will be receiving the report.

2. Background

- 2.1 As part of leading the organisation, managers have to account to Members for their management of the financial resources and for the performance of the organisation against what the Council has agreed.
- 2.2 The Strategic Plan 2010/14 sets out the ambition, focus and priorities for 4 years. Each year we produce a delivery plan which sets out the specific actions for the year. 2011/12 is the 4th year of the Strategic Plan, and performance against the delivery plan is reported to this meeting for scrutiny.
- 2.3 The Medium Term Financial Strategy sets out the allocation of resources and the policies and parameters within which Managers are required to operate. We are required by law to set a 3-year balanced budget. The Strategy covers revenue and capital expenditure and was approved in February 2011, covering the period 2010/14.
- 2.4 This report covers the financial performance for the half year period up to September for the financial year 2011/12 and measures performance against the Financial Strategy as well as year on year.

3. Community Benefits

- 3.1 The reporting of timely budget performance statements enables Members to critique and scrutinise performance for the efficient and effective use of resources, in the interest of the community, for the delivery of services and key priorities, as set out in the Strategic Plan.
- 3.2 The report also provides an analysis of the impact of the recession on those services which rely on substantial income levels.
- 3.3 Budget Reduction Programme 2011 to date has identified total reductions of **£4,455,520** over 3 years 2011-14. In 2012 reductions of **£896,550** have been achieved and these reductions reduce the Net Cost of Local Services.

4. Financial Implications

- 4.1 At this stage of the year – up to the end of September 2011 - the Council is forecasting a reduction in the requirement of reserves of **£0.571m** to meet the Cost of Local Services.
- 4.2 The Council's overall budget, revenue and capital, will be monitored over the next 3 months when we will report to Strategic Overview & Scrutiny Committee on 7th February 2012. This will have the final forecast position for 2011/12, together with the final position for Budget Reduction Programme 2011 which will be included in the Medium Term Financial Strategy (Revenue and Capital) 2012-16.

5. Risk Management Issues

Risk	Likelihood/ Impact	Risk Category	Counter measure	Responsibility
<p>Management of the Council's Revenue and Capital budget is critical to the successful delivery of key Council's priorities, and control measures need to be in place to manage the re-scheduling or re-profiling of projects and to respond to the changing financial climate.</p>	<p>Medium/High</p>	<p>Financial</p>	<p>Close monitoring of expenditure. Maximising the potential of efficiency gains. Early identification of any unexpected impact on costs, for example, central Government policy changes, movement in the markets, and changes in the economic climate. Prioritisation of capital expenditure. Tight project management of projects.</p>	<p>Leadership team</p>

Background Documents:

Strategic Plan 2008/12

Medium Term Financial Forecast 2010/14

HALF YEAR REVIEW OF PERFORMANCE AGAINST THE FINANCIAL STRATEGY: 2011/12

1 Delivering our Priorities: financial performance for 2011/12

- 1.1 Being *absolutely customer focused* means that we want more of our resources to be focused on those areas which are important to our residents.
- 1.2 Being *performance driven* means that we want to constantly align resources to areas where we want to deliver to a higher standard.
- 1.3 Getting *more for less* has been a key driver for us in each year of our Strategic Plan. Year on year we face higher costs on some areas of spend like fuel.
- 1.4 Year on year we have had to make savings and efficiencies, cutting other costs to afford these increases and achieve the savings.
- 1.5 The global economy is still in a volatile state. With the United States' credit rating recently being downgraded and Europe's current crisis, the volatility is set to continue and investment income especially will continue to be affected. The economic climate has also affected some of the progress on our top priorities which are funded through our capital investment. This impact is common for other Councils.

1.6 In this report we account for the financial performance for the period up to the end of September 2011. We also quantify the ongoing impact of the recession for the year; the performance in key business risk areas; the overall performance on the Bottom Line, and the performance on the aspects of our priorities which are funded through capital investment.

2 Context for our financial performance

- 2.1 We reported to Council on 22nd February 2011 that our estimated funding gap for 2012/13 and 2013/14 was **£4.773m**.
- 2.2 The Budget Reduction Programme is nearing completion. To date **£4.456m** reductions have been identified over the 3 year period 2011-14, of which **£0.897m** have been achieved for 2011-12 (£0.892m revenue and £0.005m capital).
- 2.3 This report reflects these reductions in the 2011/12 Budget. The final amounts for the Budget Reduction Programme will be included in the Medium Term Financial Strategy 2012-16 for Council approval on 21st February 2012.
- 2.4 The main Government Funding Grant that the Council receives is the Formula Grant. The Grant was confirmed for 2011/12 in the 2 year Settlement announced in December 2010. The overall impact of this on the Council's finances for 2011/12 has been taken into account in the approved Medium Term Financial Strategy, therefore there is no further risk in respect of the Formula Grant for 2011/12.
- 2.5 The Table below shows the reductions/savings achieved since 2008/9, projected to 2013/4.

Total Savings/reductions Reflected in Base Budget up to Expenditure Review 2010	Amount taken out of the Budget during Savings Reviews 2007-11						
	2008/09 £m	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	Total 2008 to 2014 £m
Budget Reduction Programme 2011: <i>Progress to date</i>				£0.897	£1.756	£1.803	£4.456
Expenditure Review 2010 Savings			£1.068	£1.030	£1.156		£3.254
Expenditure Review 2009 Savings	£0.80	£0.822	£1.236	£1.253	Built into the base budget	Built into the base budget	£3.391
Expenditure Review 2008 Savings	£0.372	£0.463	£0.550	Built into the base budget			£1.385
Total Cumulative Savings	£0.452m	£1.285m	£2.854m	£3.180m	£2.912m	£1.803m	£12.486m

3 Impact of the Economic Environment on the Council's financial position

- 3.1 The economic environment has had a significant impact on the District Council's finances. It has been and still remains difficult to accurately predict.
- 3.2 The effects of operating in such an environment are being closely monitored. Predictions were made of the likely impact to Lichfield District Council when the recession first hit in 2008/9. The estimate of this has been accounted for within our 2011/12 Budgets and is assessed by individual services in order to determine as accurately as possible the financial risk to the Council's finances, so that we can take mitigating actions.
- 3.3 We monitored the ongoing impact of the Economic environment on our original 2009/10 Budgets which for **2011/12** was estimated to be **£0.552m**.
- 3.4 Car Park Income continues to experience an impact in 2011/12 with income generation much more difficult.
- 3.5 Interest Income has seen a large deterioration over the 3 years. However because of the economic slow down impacting on capital schemes, the actual impact on interest earned has not been quite as severe as we anticipated, and we have seen a **£(0.086m)** improvement.
- 3.6 Leisure Centres and Commercial Rents continue to be impacted by adverse market conditions, as is the Garrick, where the impact of changed consumer behaviour on shopping and car parking is affecting the day time trade for the Bar & Catering.
- 3.7 Overall, compared to when we first estimated the impact of the economic climate on the Council finances in 2009, there is an additional **£0.741m** budgetary pressure, and this is a prudent estimate.

The table below sets out the impact so far of the Economic Climate on the Council's finances for 2011/12:

Impact of the Economic Downturn on District Council's Finances	Estimated Impact on Budgets before Recession hit ¹	2011/12	
		Probable outturn (as at 30 September 2011)	Variation
	£m	£m	£m
Reduction in Income			
Leisure Centres	0.070	0.284	0.214
Planning Fees	0.029	0.044	0.015
Car Parking Fees	0.291	0.635	0.344
Commercial Rents	n/a	0.103	0.103
Local Land Charges	0.051	0.112	0.061
Interest on Balances	0.111	0.025	(0.086)
Garrick Bar income	n/a	0.090	0.090
Total Recession Impact for 2011/12	£0.552m	£1.293m	£0.741

¹ Based on original Budgets set in February 2008/09

4 Focus on key business risk areas

- 4.1 Our key business risk areas are the subject of close management focus, as they rely on significant income generation. Small changes in the business within these areas can have a significant impact on the *Bottom Line* for the Council.
- 4.2 Leisure Centres overall have a 2011/12 Budget of **£1.95m** for income generation, and the Lichfield Garrick has a budgeted income at **£2m**. Together these cultural and recreational services are required to achieve almost **£4m** in commercial income.
- 4.3 Our other key business areas are Car Parks, with a projected income of **£1.6m**, Commercial Rents projected to achieve **£0.8m**, Planning Fee income of **£0.5m**, and Treasury Management interest of **£120K**.
- 4.4 In the table overleaf we advise on the financial performance of the key business risk areas up to September 2011 and we look at *the trend* in the financial performance for each of the areas – **how they did compared to previous years**, alongside their **performance against budget**.

Summary of performance on our key business risk areas to 30th September 2011

Area	Trend on financial performance (comparing this year 2011/12 to last year 2010/11)	Position on budget (for 2011/12)
Leisure, Parks & Play	<p>Leisure Centres: Income: Compared with last year the Leisure Centres are £15K down (2%). Direct costs: Year to date the leisure centres are in line with 2010/11 Catering: The catering service at our 3 Leisure Centres is £2K better than last year. Net Direct Expenditure: Overall the cost of our Leisure Centres is up £14K (4%) on last year.</p>	<p>Leisure Centres: Net Expenditure: £784K Income: £41K (5%) lower than budget. Direct costs: £86K (7%) lower than budget. Overall the Leisure Centres, including catering, are £47k better than budget to end Sept. However, economic conditions are making it difficult to meet income targets, particularly at Friary Grange Leisure Centre & we are forecasting that income will fall short by £90k to year end and so we may not hit our original budget. Parks: Net Expenditure: £1.102m The continuing restoration works to Beacon Park, the maintenance of closed churchyards in Burntwood, & repairs to Chase Terrace Park mean that we are forecasting £34k over budget to the year end.</p>
Recycling and waste management	<p>Recycling & Waste: The waste service continues to make savings with the introduction of the new Shared Service on 5th July 2010. The service delivered £219K in efficiencies in 2010/11 and is budgeted to achieve another £250K this year. It is too early in the year to be able to predict whether any additional savings will be generated. The cost per household is predicted to fall from £43.73 last year to £43.66 this year. In previous years it has been £50-60+.</p>	<p>Recycling & Waste: Net Expenditure: £1.938m Overall performance is in line with budget expectations. A potential concern is the rising cost of fuel, risen from £0.99 per litre in April 2010 to £1.13 per litre in Sept. Whilst expenditure was contained within current budgets during 2010/11 unless prices remain static or drop, this will be harder to achieve in 2011/12. Trade Waste: Net Contribution: £(46k) A fall in income as a result of drop in customer nos. & a change in the charging regime (EPA Act 1990) is likely to result in £31k less than budget, resulting in a £15k surplus.</p>
Car parks	<p>Income at the end of Q2 income was up slightly compared with the same period in 2010/11 (13.8K or 2%). Expenditure is broadly in line with last year. This is largely the result of an improved August (up 9% on last year) due to the attraction of the Hoard Exhibition together with the closing down sale period of the major department store in the Precinct. However, the figures for September show a downturn of 7% against the same period last year. 4% of this is a result of the continuing economic situation and the actual closure of the Department Store in the Precinct, with the remainder due to changes in tariffs put in place for the Friary Outer works.</p>	<p>Car Parks: Net Contribution: £(1.084m) Income: £30k (4%) up on budget. This is mainly the impact of the larger visitor numbers for the regional tour of the Hoard exhibition at the Cathedral in August (14,000 visitors to the venue). However, the September car park usage figures show a fall. It is difficult at this stage to predict the likely year end position, but indications to date are that it is still possible the budgeted surplus will be achieved even if the decline in parking income continues through to the end of the year. For the service to fail to achieve its surplus parking income would have to be down by 12%.</p>
Planning fees	<p>Nos. of applications: 503 compared to 511 for the same time last year. Income: up by £53K compared to the same time last year reflecting the receipt of major applications.</p>	<p>Planning fees: Net Contribution: £4k Income and direct costs are in line with budget at end of September 2011. Planning fee income is likely to achieve the budget for 2011/12 of £527K, mainly due to income from major applications.</p>
Local Land Charges	<p>Nos of searches: 918, 15% lower than last year. Income is down by 6% on 2010/11, which reflects a 15% decrease in the number of searches.</p>	<p>Local Land Charges: Net Contribution: £(87k) Income - the impact of the Government revoking the current statutory fee charge for personal searches and the current property market conditions will result in income being £30K lower than budget.</p>
Commercial Rents	<p>Income is anticipated to be £15k up on last year.</p>	<p>Commercial rents: Net Contribution: £(800k) Income is expected to be £7K lower than budget.</p>
The Lichfield Garrick	<p>Income: is up by £26K or 3% compared to the same time last year. Direct costs: Costs are broadly in line with last year. Overall the Theatre has performed marginally above last year by £23K. Variances at the stage in the year can be affected by the timing of Artiste Payments and the sales of Tickets.</p>	<p>Garrick: Net Expenditure: £392k Income is down by £166K (14%) on a Budget of £2.1m. Half of this is due to lower Bar & Catering trade with the remaining variance impacted by timing differences between the years for ticket sales and programming, which are difficult to reflect in the profiling of budgets. Direct costs: Costs are down by £66K or 4% and can again be impacted by the timing of Artiste payments. Economic conditions are adversely affecting the income of the Bar and Catering and therefore we anticipate that we won't hit our original budget for the year.</p>
Treasury Management	<p>In 2011/12 we are currently achieving a return of 1.14% compared to an average rate of 0.88% for eight months in 2010. There is more information on this overleaf.</p>	<p>Treasury Management: Net Contribution: £(120k) Net investment receipts are projected to be £(34K) up on Budget. This is due to higher Cash balances available on which to earn interest.</p>

5 Treasury Management - The Investment Income we receive

5.1 The performance of the Treasury Management function should be measured against the investment objectives of Security (the safe return of our monies), Liquidity (making sure we have sufficient money to pay for our services) and Yield (the return on our investments).

Security

5.2 Our aim for the risk status of our portfolio was **A+** using the lowest rating from the three credit rating agencies as the basis for assessing the risk status.

5.3 The investments outstanding at the 30 September 2011 had a risk status of **AA-** based on the length of the investment and **AA-** based on the value of investment, which has a more secure risk status, and this is both compliant with our aim and the recommendations from our Treasury Management advisors.

5.4 In addition, we are currently keeping the length of our investments relatively short term to ensure that we can react to changes in counterparty credit risk very easily. Our Treasury Management Advisors recommend for each bank or building society the new investment time limit to manage counterparty credit risk. At 30 September 2011, the investment time limits were (we were previously able to invest with some counterparties up to 12 months until 11 August 2011 our Treasury Management Advisors recommended reducing the investment time limits to reflect market volatility):

Bank or Building Society	New Investment Time Limit
Santander (UK)	3 months
Lloyds	6 months
Bank of Scotland	6 months
Barclays	6 months
HSBC	6 months
Royal Bank of Scotland	6 months
National Westminster Bank	6 months
Nationwide Building Society	6 months
Standard Chartered	6 months

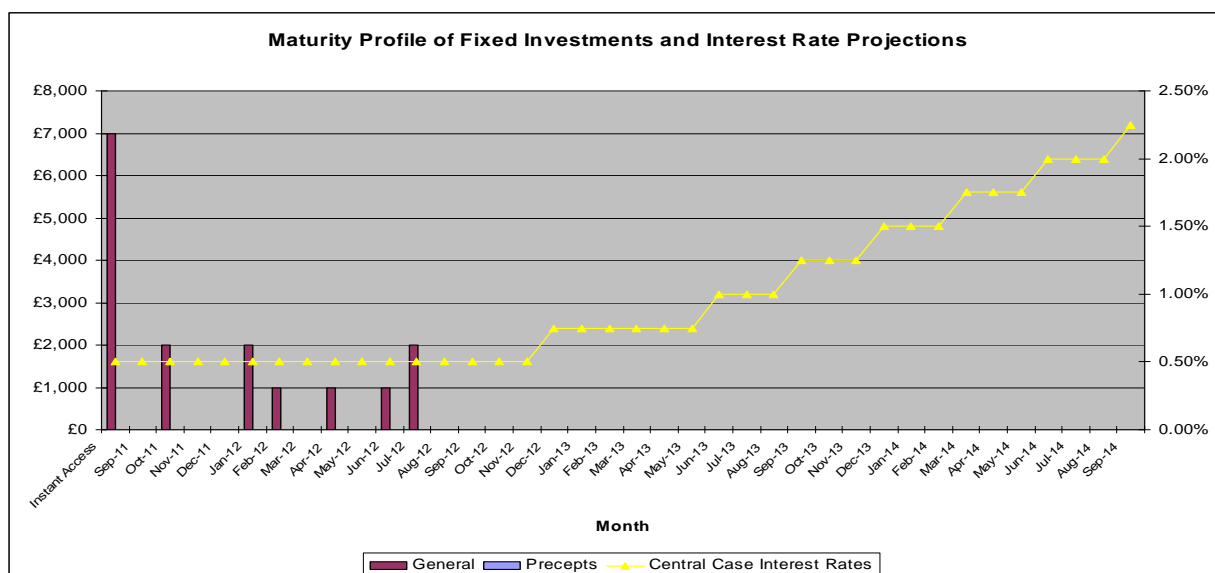
5.5 To manage the interest rate risk we are spreading investment maturities. The average length of investments we have made in 2011/12 is **91 days**.

5.6 The table below shows a breakdown of our investments at 30 September 2011 :

Counterparty	Principal	Matures	Days to Maturity	Rate	Credit Rating ² 30/09/10	Foreign Parent
Money Market Funds						
Deutsche Bank	£2,000,000	01-Oct-11	Instant Access	0.78%	AAA	N/a
Ignis	£2,000,000	01-Oct-11	Instant Access	0.78%	AAA	N/a
Invesco Aim	£485,000	01-Oct-11	Instant Access	0.64%	AAA	N/a
Other Counterparties						
Bank of Scotland	£1,000,000	16-Apr-12	199	2.05%	A+	No
Barclays Bank	£1,000,000	13-Feb-12	136	1.31%	AA-	No
Lloyds TSB	£2,000,000	18-Jul-12	292	2.05%	A+	No
Barclays Bank	£1,000,000	20-Jun-12	264	1.46%	AA-	No
Nationwide	£2,000,000	23-Jan-12	115	1.02%	A+	No
Santander (UK)	£1,000,000	20-Oct-11	20	0.97%	AA-	Yes
Santander (UK)	£1,000,000	13-Oct-11	13	1.25%	AA-	Yes
National Westminster Bank	£1,170,000	01-Oct-11	Instant Access	0.80%	A+	No
Royal Bank of Scotland	£1,330,000	01-Oct-11	Instant Access	0.80%	A+	No
Total	£15,985,000					

² This is the lowest rating provided by the three credit rating agencies - Moody's, Fitch and Standard and Poors.

5.7 The maturity profile of our investments together with interest rate projections at September 2011 are shown in the graph below :



Liquidity

5.8 Measuring the performance in relation to liquidity is a much more difficult task and the easiest way to assess performance is to see how frequently we needed to borrow on a temporary basis during the financial year. In 2011/12 we have not needed to borrow temporarily. We currently use call accounts and Money Market Funds for short-term liquidity requirements, which gives us same day access to funds if we require them.

Yield

5.9 To date in 2011/12, we have achieved an average interest rate of **1.14%** and this compares to our performance indicator of the average 7-day London Inter-bank Bid (LIBID) rate, which was **0.43%**. In addition, to compare performance with longer-term benchmarks, the average 1 month LIBID rate is **0.49%**, the average 3 month LIBID rate is **0.77%** and the average 6 month LIBID rate is **1.10%**. The performance of the Treasury Management function should be measured against the investment objectives of Security (the safe return of our monies), Liquidity (making sure we have sufficient money to pay for our services) and Yield (the return on our investments).

5.10 Net Investment Income includes Investment Income receipts (excluding Car Loan Interest) and Interest Payments. The projected overall net Treasury Management position compared with budget is shown in the table below:

Details	2011/12 Approved	2011/12 Projected	2011/12 Variance
Average amount we had available to invest (£m)	12.44	14.20	1.76
Average Interest Rate (%)	1.16	1.14	(0.02)
Interest Receipts (£)	(133)	(167)	(34)
Other interest (£)	13	13	0
Net Investment Income (£)	(120)	(154)	(34)

6 The Bottom Line

6.1 Here we look at the spend by function, as used in our **Statements of Accounts**, focusing on the projected outturn compared to the Approved Budget and the bottom line.

What we plan to spend the money on :	Approved Budget	Actual Outturn	Variation
<i>Using the descriptors in accordance with the Service Reporting Code of Practice.</i>	£K	£K	£K
Central Services incl. >> finance, revenue collection, personnel, emergency planning	1,513	1,548	35
Cultural, environmental and planning services, incl. >> culture and heritage, leisure and waste collection, planning, street cleansing, community safety, public conveniences, environmental health & licensing	9,543	9,863	320
Housing Services: incl. >> preventing homelessness, housing & council tax benefits	1,091	1,091	0
Highways, roads and transport incl. >> car parking, concessionary fares	(543)	(543)	0
Corporate and democratic core services incl. >> democratic representation, corporate management	2,330	2,330	0
Non-distributed costs incl. >> retirement benefits, capital charges non-operational assets	155	155	0
Budget Reduction Programme 2011 - progress to date	0	(892)	(892)
Net Cost of Services	14,089	13,552	(537)
Less - transferred from Capital and Pension/Earmarked Reserves	(2,173)	(2,173)	0
Less - income from Cash Investments	(133)	(167)	(34)
Add - Interest Payments	9	9	0
Cost of Local Services met by Local and National Taxes	11,792	11,221	(571)
How we plan to fund this :			
Local Taxes – Council Tax	(5,839)	(5,839)	0
National Taxes – Formula Grant	(1,117)	(1,117)	0
Business Rates	(3,615)	(3,615)	0
Collection Fund Surplus	(5)	(5)	0
Council Tax Freeze Grant	(135)	(135)	0
Sub Total	(10,261)	(10,261)	0
Revenue Account Deficit to be met by a Contribution from/(to) General Reserves	1,531	860	(571)

6.2 What is the performance telling us?

- At this stage of the year, up to the end of Sept 2011, the Council is forecasting a reduction in the requirement of reserves of **£0.571m** to meet the Cost of Local Services.
- We have identified budgetary pressures of **£0.321m**, which have arisen in the Culture & Leisure areas, as a result of unanticipated falls in income related to a reduction in consumer spend and the economic climate. Services haven't identified underspends at this stage of the year, and we expect there to be some, and these will go towards meeting the budgetary pressures on income. These predictions will be reviewed again in December before being taken account of in the Council's General Reserves.

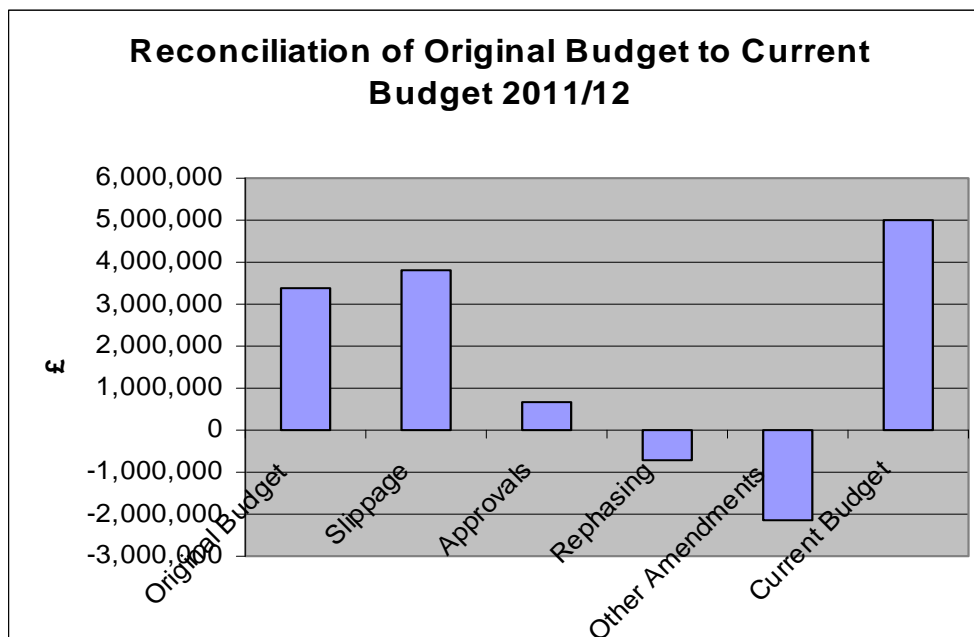
6.3 Working Balance, Reserves and Provisions

- The Council had General Reserves of **£3,407m** as at 31 March 2011.
- The Council is required to maintain an adequate Minimum Level of Reserves to ensure they represent an appropriately robust 'safety net' that adequately protects the Council against potential unbudgeted costs. Currently this is held at **£1m** representing **8.5%** of the cost of local services.
- As at September it is estimated that the 2011/12 contribution from general reserves will be **£0.860m** leaving a total reserves position of **£2.547m**. After taking account of the minimum level of reserves of **£1m** this will leave a balance of **£1.547m** to assist with the Medium Term Financial Forecast going forward after Budget Reduction Programme figures are reflected in the forecast.

7 Investing in our Priorities – Capital

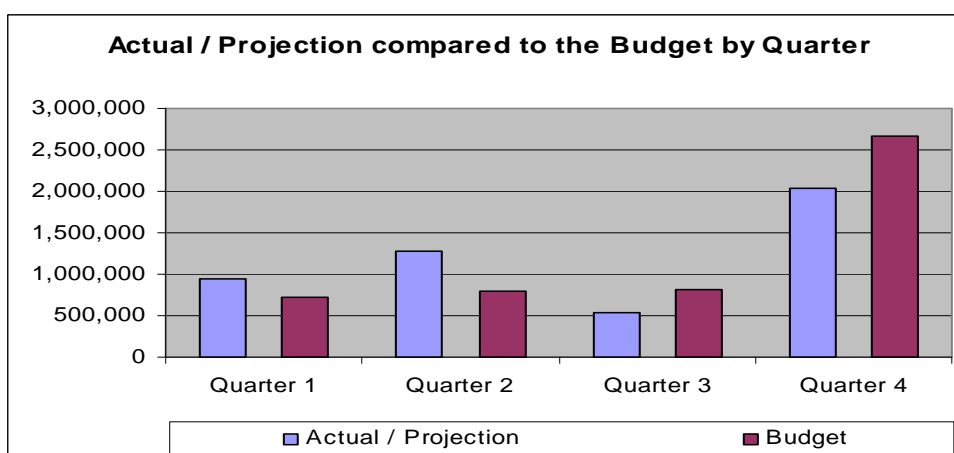
Management of the Capital Programme in 2011/12

- 7.1 The Council approved an original budget for 2012/12 of **£3,383K** on 22 February 2011.
- 7.2 There was slippage of **£3,824K** in the Capital Programme in 2010/11 that has been carried forward to 2011/12 and this has resulted in a revised budget for 2011/12 of **£7,207K**.
- 7.3 In addition, the Cabinet has approved several reports² and there have been some other minor changes under delegation that have increased the budget by a further **£670K**, the remaining budget in relation to the Chasewater Dam project of **£(2,057)K** has been removed and a number of further adjustments of **£(817)K** under delegation have been undertaken. Therefore, the current approved budget is **£5,003K**.
- 7.4 The reconciliation of the Original Budget to the Current Budget is also shown in the graph below :



How are we performing in 2011/12?

- 7.5 Below we show spend quarter by quarter in 2011/12 using performance against our current budget. The six months performance shows that **146%** of budgeted spend was achieved.



7.6 Below and at **APPENDIX (ii)** we look at spend by top priority of the 2011/12 financial year focussing on the projected actual position for the year compared to the current budget.

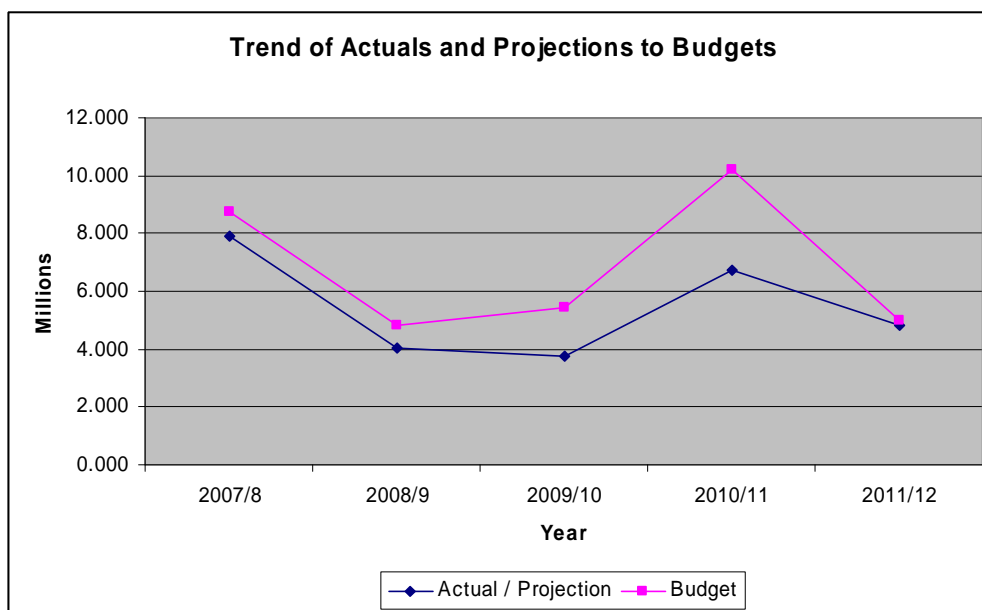
Top Priority	Original Budget £K	Current Budget £K	Projected Actual £K	Variance £K	Note Ref
Create safe, strong and proud communities	60	105	105	0	☑
Improve people's health and well being	202	306	305	(1)	☑
Help people realise their potential	0	0	0	0	☑
Involve local people and partners	0	0	0	0	☑
Help people access a home that's right for them and to live independently	1,069	758	708	(50)	☑
Vibrant towns and villages	846	2,993	2,918	(75)	☑
Protect and enhance our environment for future generations	853	384	345	(39)	☑
Attract even more investment into our District	0	42	42	0	☑
Provide great value services centred on customer's needs	353	415	372	(43)	☑
Total Capital Expenditure	£3,383K	£5,003K	£4,795K	£(208)K	

KEY :

☑ Projected outturn within **£100K** of our final budget ● Projected outturn not within **£100K** of our final budget

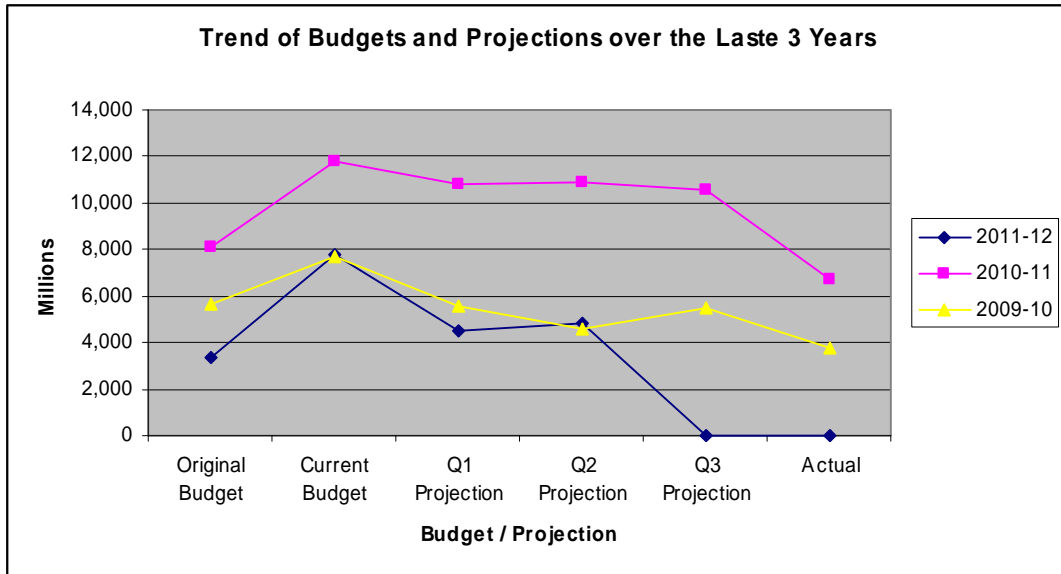
How does this year's performance compare to previous years?

7.7 The graph below compares actual capital spend with the budget for a 5 year period :



7.8 Previously, during this 5-year period, the Council has under spent its capital programme between **10%** and **34%** compared to the final budget. The widening of the "gap" in 2010/11 is due to the inclusion of two major projects within the Capital Programme and the complexities that have resulted during their implementation.

7.9 It is also useful to analyse the trend of budgets, projections and the actual spend in a financial year to see if we can identify a trend to enable us to project our capital spend more accurately. The trend analysis shown in the graph below shows budget, projections and actual spend in the recent 4 financial years and this identifies areas we can manage our performance more effectively in terms of capital spend. We can see the trend is similar for all four years and our revised budget is higher than our original budget (due to slippage) and our projections for capital spend reduce throughout the financial year.



Capital Investment at Burntwood Leisure Centre

7.10 The Council is required, under the terms of the funding agreement with the National Lottery in relation to the Burntwood Leisure Centre, to set aside resources to be used for the future repair and renewal of the centre in a 'sinking fund'. Both the level of investment and the centre in terms of the District Council's leisure provision is significant, therefore monitoring information is provided in **APPENDIX (iii)** for all approved projects in 2011/12.

Capital Programme Monitoring Summary for 2011/12

<u>Top Priority</u>	Year to Date Spend as at 6 months 2011			Annual Spend for 2011/12			
	Profiled Budget	Actual Spend	Variance	Original Budget	Current Budget	Projected Outturn	Variance
	£K	£K	£K	£K	£K	£K	£K
Create safe, strong and proud communities	0	0	0	60	105	105	0
Improve people's health and well being	101	126	25	202	306	305	(1)
Help people realise their potential	0	0	0	0	0	0	0
Involve local people and partners	0	0	0	0	0	0	0
Help people access a home that's right for them and to live independently	347	319	(28)	1,069	758	708	(50)
Vibrant towns and villages	428	1,162	734	846	2,993	2,918	(75)
Protect and enhance our environment for future generations	436	374	(62)	853	384	345	(39)
Attract even more investment into our District	30	27	(3)	0	42	42	0
Provide great value services centred on customer's needs	176	208	32	353	415	372	(43)
TOTAL	1,518	2,216	698	3,383	5,003	4,795	(208)

Burntwood Leisure Centre: Capital Investment.

An Annual Sink Fund Plan is produced setting out a range of projects which will be required for essential repairs and the replacement of equipment / machinery in order to protect the asset of the building and to keep the facility up to date with industry changes. Individual applications are developed for each project as they come on stream and are approved by the relevant portfolio holders and directors prior to implementation.

Projects are initially identified in the annual sinking fund plan; to date, the applications detailed below have been included in the budget.

Project Name	Year to Date Spend as at 6 months 2011			Annual Spend for 2011/12			
	Profiled Budget £K	Actual Spend £K	Variance £K	Current Budget £K	Projected Outturn £K	Variance £K	Comments
Planned maintenance	11	13	2	45	45	0	Planned small-scale enhancement expenditure.
Third Senior Grass Pitch	22	22	0	22	22	0	This is the sinking fund element of the project; in addition, £15K of Section 106 and £3K of other external funding has been awarded.
Swimming Pool Enhancements	37	36	(1)	37	36	(1)	Enhancement to chemical pumps and their controllers.
Security Barriers	14	14	0	14	14	0	Enhanced security barriers.
Regrouting Programme	0	0	0	3	3	0	Second phase of the wet area tile Regrouting.
TOTAL	84	85	1	151	120	(31)	