

BUDGET MONITORING - KEY SERVICE AREAS 2013/14
1 APRIL 2014 - 31 JANUARY 2014

Main Code	Service Area	Latest Approved Budget	Budget to Period 10	Adjusted Actual to Period 10	-----Variance-----		Projected Full Year Variance () = Favourable	
					Adverse	Favourable		
		£	£	£	£	£	£	
General Expenses								
<u>EXPENDITURE</u>								
050	Waste Management Contractor Costs	2,019,400	1,509,300	1,505,148		4,152	(10,000) ☺☺	Invoice for house number received and processed in February. VOs remain low and will be monitored during the remainder of the year. Current forecast is based on VOs staying at this level. Note: any underspend will help to reduce any shortfall in the £44k re top up tonnages from 12/13 (as mentioned in income line below)
372	Rent Rebates - Non HRA	17,580	97,100	97,100		-	0 ☺	The projected year end position reflects an increase in predicted subsidy (85.00% budgeted, 96.32% predicted). The most likely reason for the increase is the lower usage to date of bed and breakfast accommodation which attracts lower subsidy, an element of which would have been factored into the original subsidy % prediction. However due to the volatile nature of benefit subsidy generally and the fact that levels of B&B usage may rise, caution should be exercised with regard to any predictions made. In addition we have recently been advised of a potential repayment of subsidy following the audit of the 2012-13 benefit subsidy claim in the region of £29,000 which will impact on the overall benefit position. The overall position of this service is broadly offset with that for the HRA element of rent rebates and so for simplicity the two have been shown with no variation at the year end to reflect that virements could be actioned between the two to address any variations.
373	Rent Rebates-HRA Properties (Net)	(20,350)	(16,353)	(158,869)		142,516	0 ☺	The projected year end position reflects an increase in predicted subsidy (99.32% budgeted, 100.89% predicted). However due to the volatile nature of benefit subsidy generally caution should be exercised with regard to any predictions made. In addition we have recently been advised of a potential repayment of subsidy following the audit of the 2012-13 benefit subsidy claim in the region of £29,000 which will impact on the overall benefit position.
375	Rent Allowance Payments (Net)	(30,970)	(22,532)	3,469	26,001		(9,193) ☺☺	The projected year end position reflects an increase in predicted subsidy (99.00% budgeted, 99.19% predicted). However due to the volatile nature of benefit subsidy generally caution should be exercised with regard to any predictions made. In addition we have recently been advised of a potential repayment of subsidy following the audit of the 2012-13 benefit subsidy claim in the region of £29,000 which will impact on the overall benefit position.

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	General Expenses						
410	Homelessness	135,810	133,178	140,295	7,117		0
470	Parkside	570,570	423,352	402,130		21,222	0
685	Council Tax Benefit Payments (Net)	(36,530)	(17,502)	11,372	28,874		(22,393)
	Total Expenditure	2,655,510	2,106,543	2,000,645	61,992	167,890	(41,586)

The level of people being assisted remains high although pro-active prevention work is reducing the number being placed in Bed and Breakfast and currently we have needed to make limited usage of B&B this year. At present the financial position appears ok but the levels of homelessness and potential financial impact is subject to constant review. The successful management of the service in 2012/13 meant that no monies were needed from the Mortgage Rescue Programme grant monies and this remains available to mitigate any financial impact that may arise. The year end position thus assumes no financial impact whilst these monies remain available.



There are no concerns at present

Although Council Tax benefit is no longer being granted there is a potential impact in this year associated with adjustments made in respect of benefit awarded or related to prior years (principally clawback of benefit or additional entitlement). The year end prediction reflects this potential impact as it stands in the current year.



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General Expenses							
<u>INCOME</u>							
050	Waste Management Income	836,430	642,678	458,866		183,812	3,900 ☹
120	Car Park Income	568,670	458,222	480,653		22,431	0 ☺
300	Cattle Market Income	424,820	276,075	257,170	18,905		63,790 ☹
340	Planning Application Fees	333,120	272,992	333,869		60,877	(28,600) ☺☺

Current variances shown are mainly due to timing of invoices, i.e. awaiting adjustment credits for dry recycling and green waste credits for Sep - Jan and co-mingled for Oct - Jan. Green waste credits have shown a decline due to the seasonal fluctuations which are expected to continue for the remainder of the year. Co-mingled waste remains in a positive position against the processing costs. The value per tonne for the last quarter is confirmed at £72.45. The forecast surplus in green credits will partly offset the shortfall in dry recycling credits as previously reported (contamination tonnages). Other factors in the forecast year end position relate to textiles income for which no income is expected to be received for the year due to both Ragtex and Wolverhampton textiles going out of business. Part of the current variance shown remains due to the 2012/13 reserve of £44k re the "top up" for the guaranteed tonnages under year one of the new contract which is currently unresolved. Parking fees continue to exceed budget expectations. There is the potential for income to exceed budget, current forecast is £5k above budget but this is dependant upon weather conditions. It is therefore not clear whether the current trend will continue throughout February and March. Risks still remain around the PCN income for the remaining quarter and associated costs. A virement has also been completed against an insurance claim settlement for £5000. Forecast based on information received up to end of December. Consideration is currently being given to a reduced fee agreement for the tavern and exhibition hall. The outcome is awaited but this will adversely affect the cattle market income at least in the short term. Current forecast shown is based on a reduced agreement of 6%. The current forecast also shows the reduction in income received to date against budget. It should be noted that in total (excluding the tavern and exhibition hall) income received for periods 1-10 has reduced by £13k against that received in 12/13. The projected full year variance is based on the assumption that the current decline continues for the remainder of the year. Income is currently exceeding expectation due to a number of major applications received during the year. There is potential that income will exceed budget by up to £40k.

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General Expenses									
355	Building Control Fees	148,600	123,847	121,260	2,587		5,000	☹	Although the first half of the year budget was exceeding expectation, the second half of the year income appears to be dropping off slightly. The year end forecast has been set with the last two months taken into consideration. Despite the forecast, income is up by £11k and applications are up by 43 from the same point of time in 2012/13.
470	Parkside Income	357,240	397,509	388,595	8,914		0	☺	Women's Aid have handed in their notice which was effective from 1st February 2014. Officers are reviewing to see if any arrangements can be made to keep them in occupation at the present time the assumption has been made that they will vacate.
472	Phoenix House Income	109,130	93,942	67,952	25,990		13,920	☹	VAM and EMC will vacate on 31st March 2014, negotiations are underway to see if terms can be agreed for them to be relocated elsewhere in the building. Driving Standards Agency and East Midlands Ambulance Service are now occupying. There are assumed to be no further daily lettings this financial year.
570	Industrial Estates - Rents	129,720	104,537	101,762	2,775		6,460	☹	Leases have now been finalised on a number of units providing further detail on the rents receivable, including rent free periods for new leases. Unit 82 was also given a rent free period as it required works to be completed. This and vacancy periods are the basis for the forecast year end position. Also unit 64 arrears written off due to new lease agreement. Unit 80 remains vacant and is not expected to be let by the year end
730	Retained Business Rates	1,216,070	1,216,070	1,205,000	11,070		0	☺	The predicted position of 0 takes into account the expected level of appeals in the year as well as the recent payment from government for the small business rate relief and the expected further payments for this.
	Total Income	4,123,800	3,585,872	3,415,127	70,241	267,120	64,470		
	Net Position	-1,468,290	-1,479,329	-1,414,482	132,233	435,010	22,884		
730	Collection Fund Surplus/Deficit				0		8,000	☹	Predicted amount of collection fund surplus attributable to MBC which will impact on Council Tax setting for 2014/15 based on information provided to LCC as part of the monthly monitoring of Council Tax and Business Rates. Deficit due to a number of band changes going back to 01.04.93