

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

APPENDIX B

Main Code	Service Area	Latest Approved Budget £	Budget to Period 4 £	Adjusted Actual to Period 4 £	-----Variance-----		Projected Full Year Variance () = Favourable £
					Adverse £	Favourable £	

General Expenses
EXPENDITURE

050	Waste Management Contractor Costs	2,009,370	511,980	505,458		6,522	0	☺	Baxters actual is 0.78% compared to 2% budgeted for. Baxters has not yet been applied to invoices. There will also be a charge for the increase in number of houses for which no allowance was made (as reported in 12/13). However, this shortfall is expected to be covered by additional income that is expected to be generated by current material sales values and the continued tonnages of mixed recyclables being collected, both of which exceed budgeted levels, together with the saving in Baxters compared to that budgeted for.
372	Rent Rebates - Non HRA	17,480	38,840	38,840		-	(15,283)	☺☺	The projected year end position reflects an increase in predicted subsidy (85.00% budgeted, 97.19% 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. This is especially relevant this month as the up to date subsidy information was not available until after the end of the reporting period so assumptions of the impact on the year end forecast have had to be made.
373	Rent Rebates-HRA Properties (Net)	(30,620)	(7,993)	(106,131)		98,138	(3,636)	☺☺	The projected year end position reflects an increase in predicted subsidy (99.32% budgeted, 99.43.% predicted). However due to the volatile nature of benefit subsidy generally caution should be exercised with regard to any predictions made. This is especially relevant this month as the up to date subsidy information was not available until after the end of the reporting period so assumptions of the impact on the year end forecast have had to be made.
375	Rent Allowance Payments (Net)	(45,100)	(11,613)	(58,044)		46,431	(64,157)	☺☺	The projected year end position reflects an increase in predicted subsidy (99% budgeted, 100.24% predicted). However due to the volatile nature of benefit subsidy generally caution should be exercised with regard to any predictions made. This is especially relevant this month as the up to date subsidy information was not available until after the end of the reporting period so assumptions of the impact of the year end forecast have had to be made. As such the current forecast is currently in excess of 100% which requires confirmation.

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		£	£	£	£	£	£		
General Expenses									
410	Homelessness	141,480	54,770	48,085		6,685	0	☺	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.
470	Parkside	574,970	235,397	215,626		19,771	0	☺	Expenditure is anticipated to be in line with budget. We have yet to be invoiced for water since occupation. Severn Trent are regularly chased, a reserve creditor was completed for an estimated amount and there is a risk that this will be insufficient, when the invoice is received.
685	Council Tax Benefit Payments (Net)	0	0	0	0		(32,864)	☺☺	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.
Total Expenditure		2,667,580	821,381	643,834	0	177,547	(115,940)		

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	General Expenses						
	<u>INCOME</u>						

050	Waste Management Income	820,130	220,181	146,831	73,350		0	☺	Variance shown due to timing of invoices to be raised. Co-mingled waste is now in a positive position with the value per tonne received for the first quarter confirmed at £70.57, compared to processing costs of £69.61. Recycling materials tonnages remain above that expected. These small surpluses will be mainly offset by additional processing costs as a result of the additional tonnages but will still contribute towards shortfalls already identified, such as the house number increases referred to above in the contractor costs line. There is no indication at present that the material values may weaken. Part of the current variance shown is due to a reserve which was raised in 2012/13 for £44k re the "top up" for the guaranteed tonnages under year one of the new contract. This invoice has not yet been raised as Biffa are disputing the value and discussions are underway to resolve this.
120	Car Park Income	566,370	188,790	174,223	14,567		6,500	☹	Information for PCN income has been received in period 4. This shows a significant drop in the level of income expected from PCNs. However, when queried, LCC advised the information may be incorrect and were unable to offer any further comments or a date for resolution at this time. Review of the number of PCNs issued does however show a significant drop which could be due to absences of enforcement officers - for the same period of time in 2012/13 396 enforcement hours were received compared to 278 in 2013/14 with 415 PCNs issued so far this year compared to 572 for the same period in 12/13. Harborough District Council have confirmed that all Council's in the Harborough 5 PCN counts have declined and HDC are working closely with the County on this. Whilst the Burton Street works continues, staff parking remains free and therefore no income is being received. Burton Street works still appear to have little impact on the level of parking fees received. Completion of works now due mid October.
300	Cattle Market Income	424,820	62,843	56,876	5,967		40,000	☹	July information has not yet been received from the partners. Therefore forecast and comment based on June information as per last key service areas report. The budget forecast for the year is proving unlikely to be achieved. At this point, income has not matched last years income and is below by 5.6%. The view of the market partners is that they will match last year's year end position making up the 5.6% shortfall but they will not achieve MBC projected budget. Continuous discussions are taking place with the market partners.

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340	Planning Application Fees	290,480	96,827	146,999	0	50,172	(10,000)	☺☺	Some major applications have been received which attract the larger fee. There is no indication that this trend will continue at present.
355	Building Control Fees	148,600	49,587	57,328	0	7,741	0	☺	Income levels are above expected. It is expected that this will balance out as the year progresses and therefore it is hoped that income will meet budget at year end.
470	Parkside Income	362,290	192,306	177,446	14,860		0	☺	JCP will occupy from October 2013. CAB have confirmed occupation for a further year to September 2014. It is anticipated the budget will be met.
472	Phoenix House Income	81,050	27,017	29,910		2,893	7,000	☹	There is a risk VAM will vacate this year, but it is currently assumed that another party will replace them. The year end position shown includes from other sources. The current proposals awaiting approval are to change the use of the ground floor and the first floor to a training facility, this may impact the year end position.
570	Industrial Estates - Rents	129,720	53,200	47,769	5,431		0	☺	Three lettings currently underway with one new vacancy coming. If complete should improve the income substantially and therefore it is expected to be in line with budget at the year end.
730	Retained Business Rates	1,216,070	1,216,070	1,216,750		680	0	☺	The prediction takes into account the current business rates position of £1,216k compared to the revised budget position of £1,216k (£1,238k original less virement of £22k for our share of reliefs granted which is no longer required), and includes an estimate of an additional rates expectation of £58k (less levy of 50% so £29k). In addition government arrangements for the granting of mandatory small business rate relief are as yet unknown and further advice is being sought.
	Total Income	4,039,530	2,106,821	2,054,132	114,175	61,486	43,500		
	Net Position	-1,371,950	-1,285,440	-1,410,298	114,175	239,033	-72,440		
730	Collection Fund Surplus/Deficit				0		(9,847)	☺☺	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.