

BUDGET MONITORING - KEY SERVICE AREAS 2014/15
1 APRIL 2014 - 31 JULY 2014

Item 6- Ap 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	2,076,970	541,742	536,125	0	5,617	(42,000)	☺ Baxters still to be agreed but submitted 0.38% against budgeted 2%. Also, house number increases lower than budgeted for. Any savings will be used to offset the anticipated shortfall in income as detailed below.
372	Rent Rebates - Non HRA	7,480	24,933	94,255	69,322		1,501	☹ Due to the volatile nature of benefit subsidy generally and the fact that levels of B & B usage may rise or fall, caution should be exercised with regard to any predictions made. This is a revised Period 3 figure following a review. Due to software issues it was not possible to provide figures for period 4. This has now been resolved and Management Team will be given accurate figures for period 5. The figures provided show an adverse variance, due to a reduced subsidy prediction of 98.87% compared to the original budget prediction of 99.50% which was due to a large one-off official error.
373	Rent Rebates-HRA Properties (Net)	96,770	32,256	(101,393)		133,649	22,670	☹ This is a revised Period 3 figure following a review. Due to software issues it was not possible to provide figures for period 4. This has now been resolved and Management Team will be given accurate figures for period 5. The figures provided show an adverse variance, due to a reduced subsidy prediction of 98.33% compared to the original budget prediction of 99%. This is due to higher levels of overpayments than anticipated, which has attracted lower levels of subsidy.
375	Rent Allowance Payments (Net)	(40,290)	(13,430)	218,553	231,983		32,599	☹ There is a salary overspend of £14K and £11K of this is due to misallocation of salaries. This will be corrected in period 5. Other variances due to profiling issues re Computer software maintenance & income. B & B expenditure also to be covered from mortgage rescue scheme.
410	Homelessness	101,060	33,687	67,008	33,321		0	☺ 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.
685	Council Tax Benefit Payments (Net)	9,740	3,247	2,941		306	0	☺
Total Expenditure		2,251,730	622,435	817,489	334,626	139,572	14,770	

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General Expenses
INCOME

The split of co-mingled recycling materials has been finalised leading to a drop in the value per tonne due to a higher percentage this year of lower value materials and a slight increase in the contamination rate in our typical tonne (quarter 1 £66.14 and £60.04 for quarter 2 against budgeted £75/tonne). Processing costs are £69.87 and therefore the drop in value has led to a negative position against processing costs and thus an overspend. The slightly higher contamination rate (6.7% against budgeted 5.37%) also reduces the income in relation to dry recycling credits received which leads to a further anticipated overspend.

Green waste continues to perform well with tonnages currently 22.65% higher than quarter 1 of 2013/14. Some of the additional income this will generate will be vired to offset increased processing costs as a result, but it is hoped that should tonnages continue to perform well, the remaining additional income will help towards the dry recycling shortfalls identified above. Overall, the anticipated shortfall in income is approximately £51,000 and anticipated overspend on processing costs is approximately £12,000 (see action plan) of which £41,000 is hoped to be mitigated by the savings in contractor costs. All of the above forecasts are based on a number of complex factors and based on the assumption that the same tonnages will be achieved as that in 2013/14 and that the value per tonne of commingled waste (which changes quarterly) will continue the same as quarter 2. All assumptions are therefore subject to change and will be reviewed at each month.

Current variance shown is due to invoices not yet raised re PCN off street income for quarter 1 - still awaiting information from LCC. Actual overall car parking income is £10k above budget. Overall, compared to April - July 2013/14, short stay income is down approx 2.1% whilst long stay income is up approx 22.6%. Current forecast incorporates the loss of income from Thorpe End car park and the lease income expected from Arla. The demolition of Rutland Arms is underway and will provide a further 17 short stay spaces in due course. Providing current trends continue, car parking income is still expected to meet budget expectations after the above and virements in the region of £8.7k (re handhelds, advertising costs re new parking order and increased insurance costs) have been taken into account.

050	Waste Management Income	853,190	214,955	227,385		12,430	51,000	☹
120	Car Park Income	563,280	184,510	184,974		464	0	☺

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General Expenses

Note: No further information received from the cattle market re July therefore comments and forecast remain the same and are based solely on quarter 1. Income continues to decline, particularly animal auctions which is currently 6% below that achieved in q1 13/14. A review of the numbers sold has determined that sheep sales are down 25%, pig sales down 15% and cattle sales up 6% compared to the same period in 13/14. The cattle market partners have provided the following reasons: 1) Increasing pressure from Newark Market, 2) Cattle Prices decreased by 25% over the last year, 3) Sheep prices are now declining in last 8weeks, beef is cheaper therefore people choosing beef rather than lamb, strength of £1 v euro is impacting on cross channel sales.

A decline can also be seen in car boot sales of around 9.5% compared to q1 13/14.

An additional contributor is that the budget for the tavern and exhibition hall was set based on receiving 8% before final negotiations took place resulting in a reduced fee arrangement of 6%.

Projected year end variances is based on the current trends continuing throughout the year.

Development control is subject to volatile fluctuations in application and income which makes it difficult to make accurate forecasts. Income is currently exceeding budgeted expectations due to a number of large applications received, and this is being closely monitored. Current forecast allows for known additional expenditure as a direct result of current increased number of applications (i.e. agency staff).

Income appears to be improving compared to earlier in the year, although the year end prediction is still below expected budget. Close monitoring will continue.

The budget is anticipated to be met for the year. Womens Aid licence has been renewed at a lower income (£2k less than the previous licence) this has been offset by anticipated savings on electricity.

The budget is anticipated to be met for the year. The projected shortfall based on current occupants of £24k has been negated by a virement from NNDR as 50% of the NNDR for the year has been charged to the Me and My Learning project

300	Cattle Market Income	377,380	70,271	62,405	7,866	-	28,540	☹
340	Planning Application Fees	338,300	123,433	186,725		63,292	(30,000)	☺
355	Building Control Fees	150,280	50,093	44,971	5,122		5,000	☹
470	Parkside Income	381,460	202,061	207,900		5,839	0	☺
472	Phoenix House Income	46,460	19,280	24,489		5,209	0	☺

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General Expenses							
570	Industrial Estates - Rents	134,280	63,960	61,088	2,872		0
730	Collection Fund Surplus/Deficit	2,590	0	0		19,000	0
730	Retained Business Rates	1,297,950	1,297,950	1,297,950			0
Total Income		4,145,170	2,226,513	2,297,887	15,860	106,234	54,540
Net Position		-1,893,440	-1,604,078	-1,480,398	350,486	245,806	69,310

Unit 80 was vacant at the start of the year and unit 54 was vacant from May to July therefore no income was received for these units for the first quarter. There are no major concerns re receipt of income. However, slow/late rent payments is an issue for one tenant - this is being managed by Bentons. The variance shown is therefore due to the timing of rent collected by Bentons.

☺ Predicted amount of collection fund deficit attributable to MBC which will impact on Council Tax setting for 2015/16 based on information provided to LCC as part of the quarterly monitoring of Council Tax and Business Rates.

☺ There are a number of issues still being reviewed in terms of the impact of Section 31 grants and how these impact on levies + safety nets. We are working with CIPFA and LG Futures to ensure clarity of the impact on the General and Collection Fund

