

BUDGET MONITORING - KEY SERVICE AREAS 2015-16
1 APRIL 2015 - 28 FEBRUARY 2016

APPENDIX B

Main Code	Service Area	Latest Approved Budget	Budget to Period 11	Adjusted Actual to Period 11	-----Variance-----		Projected Full Year Variance () = Favourable		
					Adverse	Favourable			
		£	£	£	£	£	£		
	General Expenses								
	<u>EXPENDITURE</u>								
050	Waste Management Contractor Costs	2,036,390	1,534,793	1,543,860	9,067	-	3,050	☹	Year end position allows for the continuing growth of clinical waste. There was a peak in October of £5.5k and a further peak in November. These will continue to be closely monitored. Additional costs due to current contamination, this was higher in December due to a rejected load. Contamination does take time to reduce and therefore the predicted variance is taking this into consideration.
372	Rent Rebates - Non HRA	7,810	73,333	74,783	1,450	-	0	☺	Subsidy receivable is lower due to increased use of bed and breakfast which attracts a lower subsidy threshold and has had an impact on the budget position. Therefore as previously highlighted the use of this type of accommodation can be unpredictable by its very nature (vulnerable/homeless claimants).
373	Rent Rebates-HRA Properties (Net)	(59,330)	(55,802)	(192,179)	-	136,377	(27,460)	☺☺	Predicted subsidy receivable is higher due to the lower instances of claimant and LA errors identified to date, this is unpredictable and can fluctuate as the year progresses. Proactive collection continues to be a priority and LA thresholds are still tight although they are improving due to proactive clearance of changes of circumstances. Increase in overpayments raised due to a focus in that area within the Council. However there is a risk that some of the larger overpayments may later be credited due to change in circumstances of customers. The year end forecast assumes additional overpayments will be raised in p12. There is also a non-budgeted payment for a Welfare reform (benefit) impact assessment of £5k.
375	Rent Allowance Payments (Net)	(122,120)	(113,492)	(52,327)	61,165	-	(17,490)	☺☺	Proactive collection continues to be a priority and LA thresholds are improving. Increase in overpayments raised due to a focus in that area within the Council. However there is a risk that some of the larger overpayments may later be credited due to change in circumstances of customers. The year end forecast assumes additional overpayments will be raised in p12.

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410	Homelessness	93,520	105,158	112,746	7,588	-	20,280 ☹
							There has been an increase in the use of B&Bs especially with some vulnerable residents who cannot maintain a tenancy of their own. This now includes a family due to an emergency situation which involved a house fire. Where a single person is in a B&B the nightly charge is £55, however we can only claim £17.55 from HB, for a couple the cost is £75 per night, we can claim £31.40 & for a family £80 and we claim £46.20. As previously reported salary costs are expect to overspend by approx £1k (reduced from £17k following virements) for the year. The ongoing issues with the establishment have been resolved.
507	Environmental Maintenance	454,840	399,645	409,800	10,155	-	10,000 ☹
							Shortfall on employee costs is estimated to be £13k due to the use of standby staff during the spring and summer to offset the high workload and to cover staff absences in order that acceptable standards were maintained. Due to virements from other service areas the expected overspend has been reduced. Work continues to maximise the reduction.
630	Me and My Learning	42,570	12,262	(329)		12,591	(18,000) 😊😊
							Anticipated underspend due to Housing Mentor vacancy from December and reduced spend on commissioned services. 2016-17 budget required £86k of additional funding from the Corporate Priorities reserve, therefore any 2015-16 underspend will transferred back into the Corporate Priorities reserve.
730	Retained Business Rates	253,255		364,282			111,027 ☹
							This budget reflects the current situation with the levy. Although we are receiving more rates than forecasted, this will mean that we will have to pay out a larger levy this year. We will however, benefit from this increased rate income next year.
	Total Expenditure	2,706,935	1,955,897	2,260,636	89,425	148,968	81,407

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	General Expenses								
	<u>INCOME</u>								
050	Waste Management Income	662,250	574,873	535,274	39,599		35,000	☹	The value per tonne has increased in Q4 to £51.80 (from £39.86 in Q2 & £51.74 in Q3). All of the above are lower than the budgeted £62/tonne. The shortfall is expected to be slightly reduced by additional dry recycling credits as a result of expected additional tonnages and other slight increases in income, for example bulkies. Based on predictions it is assumed that income may not offset to the amount estimated last month.
120	Car Park Income	573,910	519,646	522,583		2,937	(4,000)	☺	Income from car parks has performed marginally better than expected however this is offset by a fall in PCN income. It has been noted that by removing Thorpe End car park it would appear that many users have moved to other P&D sites as overall the income has not been dramatically effected. The weather conditions, (no ice or snow), will also account for the better performance.
300	Cattle Market Income	333,960	281,599	282,551		952	(7,000)	☺☺	Animal auctions continues to perform ahead of budget and it is anticipated that this trend will continue for the remainder of the year. Predictions of the £7k surplus have been based on previous years actuals. New initiatives are currently being introduced this may have effects on income. The reintroduction of Horse sales has increased activity in the market and the Tavern. Market partners are reporting good trading at present.
340	Planning Application Fees	497,940	459,868	489,597		29,729	(10,000)	☺☺	The volume of applications continue to be above previous years, and currently looks like the budget will be met. A slight surplus is now expected due to a few major applications being received during February.
355	Building Control Fees	151,320	138,710	124,627	14,083		0	☺	Work has not followed previous years patterns that have been used to forecast throughout the year and therefore the projected full year variance is now anticipated to be the worse case scenario.
470	Parkside Income	374,750	409,451	401,541	7,910		0	☺	LPT have served notice of termination which expires in September 2016. There are no further changed circumstances for the occupiers, therefore it is currently anticipated the budget will be met this financial year.
472	Phoenix House Income	93,450	86,323	97,642	11,319		0	☺	VAM have relocated into a space allocated for the Venue, freeing up the old IT room as a potential room to rent out. The year end position assumes all current tenants remain in occupation for the year. The NNDR refund due to the Venue's charitable status has improved the net position for the Council by £27k, a budget reduction has been processed to reflect this refund.

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General Expenses							
570	Industrial Estates - Rents	129,240	129,240	128,267	973		0
730	Council Tax Collection Fund Surplus/Deficit	(10,080)			0		25,000
Total Income		2,806,740	2,599,710	2,582,082	73,884	33,618	39,000
Net Position		-99,805	-643,813	-321,446	163,309	182,586	120,407

☺ Performed reasonably well, with no current voids. Several lease renewal negotiations that are being undertaken at present should result in increased income. There is an element of back rent that is currently under review and may result a small surplus for the year but the amount cannot be predicted at this stage.

☹ Predicted amount of collection fund surplus/deficit attributable to MBC which will impact on Council Tax setting for 2016/17 based on information provided to LCC as part of the quarterly monitoring of Council Tax and Business Rates.