

**BUDGET MONITORING - KEY SERVICE AREAS 2016-17**  
**1 APRIL 2016 - 29 JANUARY 2017**

Main Code	Service Area	Latest Approved Budget	Budget to Period 10	Adjusted Actual to Period 10	-----Variance----->		Projected Full Year Variance	()	Favourable	
		£	£	£	Adverse £	Favourable £	( ) = Favourable £			
<b>General Expenses EXPENDITURE</b>										
050	Waste Management Contractor Costs	2,041,020	1,700,850	1,515,878		184,972	(5,000)	😊😊	A small saving of £5k is currently estimated due to the reduced tonnages.	
372	Rent Rebates - Non HRA	2,860	35,000	35,000		-	3,060	☹️	At the stage of budget setting, a number of claims were included under this budget which have since been re-defined under 373 and 375. Those that remain are those which attract less subsidy which has resulted in the subsidy % falling. B&B and homelessness are not currently increasing at the same rate as first predicted. Universal Credit rollout will create significant risks, the impact of which are currently unknown. It is expected that this budget will eventually phase out in 2017/18 as the type of claimants are those that have now transferred to UC.	
373	Rent Rebates-HRA Properties (Net)	(51,210)	(45,508)	(239,431)		193,923	(52,110)	😊😊	Subsidy predicted is currently higher than budgeted due to lower claimant errors than previously predicted. However, this is a highly volatile budget and can fluctuate. There is a gradual trend in the decrease of the subsidy % which could be due to universal credits being introduced but it is still too early to determine the impact. Year end position on overpayments amounts to £25k of the projected variance. Claimants returning to benefits affects this position however with the rollout of UC it is expected that a lower number of claimants will return to benefits in this way. The year end variance has been adjusted very slightly to allow for amendment to final year 2015/16 subsidy amount following audit.	
375	Rent Allowance Payments (Net)	(98,790)	(85,159)	(220,725)		135,566	1,050	☹️	Subsidy predicted is higher than budgeted for due to lower claimant errors than predicted. However, this is a highly volatile budget and can fluctuate. The year end position on overpayments is a shortfall against budget of £14k due to more effective processing which has led to lower volumes and amounts of overpayments being raised. Claimants returning to benefits also affects this position however with the rollout of UC it is expected that a lower number of claimants will return to benefits in this way. The year end variance has been increased by £2.7k to allow for amendment to final year 2015/16 subsidy amount following audit.	

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					Adverse	Favourable		
		£	£	£	£	£	£	
	<b>General Expenses</b>							
410	Homelessness	141,470	132,132	120,360		11,772	0 ☺	In recent months there has been more short term usage. Due to the recent decreased demand, there is the potential for there to be an underspend on B&B costs against budget. However, this demand may increase over the winter months due to cold weather provision required and therefore no underspend currently included in the projected full year variance. This will be closely monitored. Should there be an underspend, part of this will be offset by loss of associated income.
471	Customer Services	886,760	742,698	615,114		127,584	(21,190) ☺☺	Vacant posts not recruited for, instead posts have been partially backfilled through increasing hours for existing part time employees on a trial basis. Big focus on demand reduction and this saving will contribute towards the target saving for transformation. Also, other small savings and increase in expected service charge income. Note: there may be the requirement to make temporary arrangements for benefit support following structural changes for which a virement to other services may be required should the need arise later in the year.
507	Environmental Maintenance	390,440	304,150	270,965		33,185	(7,500) ☺☺	Employee costs are lower than budget at the moment due to standby staff pension savings. Efficiency savings of £5k within the repairs and maintenance of equipment. Winter maintenance & tree works are due to be carried out which will substantially reduce the current underspend. An additional saving of £2.5k is expected within the service by the end of the year.
730	Retained Business Rates	273,599	273,599	354,321	80,722		80,720 ☹	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. The equalisation reserve will negate the shortfall due to the levy. We will however, benefit from this increased rate income next year.
	<b>Total Expenditure</b>	<b>3,586,149</b>	<b>3,057,762</b>	<b>2,451,482</b>	<b>80,722</b>	<b>687,002</b>	<b>(970)</b>	

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	<b>General Expenses</b>						
	<b><u>INCOME</u></b>						
050	Waste Management Income	744,130	621,775	452,888	168,887		30,000 ☹️☹️ Expected to be a loss of £30k, which is an improvement on last month due to better recycle values and higher than anticipated tonnages. Some loss of income offset by additional income from bin tags and street sweeping.
120	Car Park Income	691,010	578,203	575,809	2,394		(6,000) 😊😊 The budget surplus has been vired to other budgets and we are now expecting to end the year slightly over budget.
300	Cattle Market Income	326,490	242,265	252,119		9,854	(1,000) 😊😊 During December income fell compared with previous years. There were only 3 Tuesdays in the month. Livestock sales had been good during november, which may have impacted on December sales. Fur & Feather remains closed and seems to be impacting on performance of other aspects of the market therefore, to be prudent, the year end forecast has been reduced.
340	Planning Application Fees	570,390	479,615	637,984		158,369	(130,000) 😊😊 Based on the income over the first 10 months of the year, it has been forecast that at year end the budget will have been exceeded by approximately £130k.
355	Building Control Fees	156,070	130,058	138,535		8,477	(11,000) 😊😊 As anticipated the demand during January reduced and it is still anticipated that demand will continue to be lower for the rest of the financial year. The additional income streams have come into effect part way through the year and this may also have some impact on the predicted year end, this will be closely monitored.
470	Parkside Income	347,470	348,639	410,285		61,646	(26,650) 😊😊 LPT have provided 3 months written notice and will vacate Parkside on 30th April. The surplus arises as the budget was set assuming they would vacate in October. A high level approach has been made to LPT to encourage them to reconsider the imminent departure, however it is considered unlikely that there will be any change. We are actively looking for alternative partners to occupy Parkside to keep the running costs per desk as low as possible. Staff Parking Fees are anticipated to be £4k ahead of budget due to increased monitoring of the Sidings car park.

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<b>General Expenses</b>							
472	Phoenix House Income	63,630	60,388	60,961		573	0
	Total Income	2,899,190	2,460,943	2,528,581	171,281	238,919	(144,650)
	Net Position	686,959	596,819	-77,099	252,003	925,921	-145,620
730	Council Tax Collection Fund Surplus/Deficit	15,000	15,000	16,000		(1,000)	10,000

Learn Direct vacated in early November, this shortfall has been offset by a virement from Central Expenses. Members considered the strategic report on Phoenix House and also approved a new tenant, Enterprise Cars on a 15 year lease with a break at 10 years. Subject to obtaining planning consent this letting going ahead will improve the financial viability of Phoenix House, it will achieve a minimum rent of £25k per year and service charge contribution. It is anticipated they will occupy from June 2017 with a 3 month rent free period.



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.