

BUDGET MONITORING - KEY SERVICE AREAS 2016-17
1 APRIL 2016 - 26 FEBRUARY 2017

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 EXPENDITURE							
050	Waste Management Contractor Costs	2,041,020	1,870,935	1,515,878		355,057	(6,500) 😊😊 A saving of £6.5k is currently estimated due to reduced VO's.
372	Rent Rebates - Non HRA	2,860	38,500	38,500		-	3,520 😞 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)	(48,359)	(302,653)		254,294	(57,300) 😊😊 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 £37k of the projected variance. 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)	(91,974)	(320,455)		228,481	(3,120) 😊😊 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 £11k. The year end variance has been adjusted by £2.7k to allow for amendment to final year 2015/16 subsidy amount following audit.
410	Homelessness	141,470	144,371	127,882		16,489	(860) 😊😊 In recent months there has been more short term usage and a decrease in demand to that previously predicted. Alternative accommodation has been used which is at a lower cost than other options. There has been a targeted focus on how we respond to homeless cases and a proactive approach to offering users a wider range of housing options. The rest of the underspend previously predicted has been vired to wheels to work.

BUDGET MONITORING - KEY SERVICE AREAS 2016-17
1 APRIL 2016 - 26 FEBRUARY 2017

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								
471	Customer Services	886,760	828,353	713,383		114,970	(26,230) ☺☺	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. Difficulty in recruiting apprentice with the post now not expecting to be filled until April 2017.
507	Environmental Maintenance	390,440	332,464	291,109		41,355	(15,000) ☺☺	Employee costs are lower than budget due to pension savings and the reduced use of additional agency/standby staff, which indicates a potential saving of £10k. Efficiency savings of £5k within the repairs and maintenance of equipment, as previously agreed. Winter maintenance & tree works have begun which will substantially reduce the current underspend.
730	Retained Business Rates	273,599	273,599	352,887	79,288		58,960 ☹	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.
Total Expenditure		3,586,149	3,347,889	2,416,531	79,288	1,010,646	(46,530)	

BUDGET MONITORING - KEY SERVICE AREAS 2016-17
1 APRIL 2016 - 26 FEBRUARY 2017

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>INCOME</u>						
050	Waste Management Income	744,130	682,953	511,256	171,697		24,500 ☹️
							The projected shortfall has improved since last month due to higher than anticipated tonnages, however the price per tonne from previous quarters will still result in an overall shortfall. The shortfall is reduced by additional income from bin tags and street sweeping.
120	Car Park Income	691,010	634,607	621,607	13,000		9,250 ☹️
							Virements have been actioned utilising additional parking fee income to fund machine changes required following the tariff changes, an insurance claim. Also to support additional repairs to the Cattle Market in the R&M budget. The Arla lease was expected to generate £11k, however it has only been signed in February which will result in the shortfall shown.
300	Cattle Market Income	326,490	272,276	258,567	13,709		(1,000) 😊😊
							The current adverse variance is due to a delay in payments being processed. Fur & Feather remains closed and seems to be impacting on performance of other aspects of the market specifically the Tavern and the stalls. This is also expected to continue through April and May.
340	Planning Application Fees	570,390	525,003	657,379		132,376	(85,000) 😊😊
							The past three months have not achieved the budgeted income therefore the expected additional income predicted is continually reducing. Indications show that March is currently on track to achieve budget however it is unlikely that any additional income will be achieved. The current variance includes £48k of s106 funds for which a virement will be completed as it is to be paid out to the Police
355	Building Control Fees	156,070	143,064	147,273		4,209	(4,000) 😊😊
							The £11k efficiency savings have materialised from new charges, however due to reduced demand over the last few months other income lines such as the plans submission fees have offset this increase. Over the last few years data shows the demand has increased during March, it is unlikely that this will produce any additional income other than that budgeted for.
470	Parkside Income	347,470	356,168	414,342		58,174	(26,650) 😊😊
							LPT have provided 3 months written notice and will vacate Parkside on 4th April. The surplus arises as the budget was set assuming they would vacate in October. 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.

BUDGET MONITORING - KEY SERVICE AREAS 2016-17
1 APRIL 2016 - 26 FEBRUARY 2017

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							
472	Phoenix House Income	63,630	60,388	63,053		2,665	0
	Total Income	2,899,190	2,674,459	2,673,477	198,406	197,424	(82,900)
	Net Position	686,959	673,430	-256,946	277,694	1,208,070	-129,430
730	Council Tax Collection Fund Surplus/Deficit	15,000	15,000	23,000		(8,000)	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. 😞