

BUDGET MONITORING- KEY SERVICE AREAS 2017-18
1 APRIL 2017 - 30 JULY 2017

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									
<u>EXPENDITURE</u>									
050	Waste Management Contractor Costs	1,951,910	650,637	309,021		341,616	21,000	☹	The Baxters increase to be applied is 3.14%, this was budgeted at 1%. Overall the expenditure currently appears to be £21k overspent. The current variance is due to the payment of invoices being behind the profiled budget.
060	Leisure Vision	56,830	13,830	14,705	875	-	2,510	☹	Awaiting Q1 info and discussion with SLM to inform expected Management fee payment. Recent CSA approvals on agreements have provided some certainty around income.
372	Rent Rebates - Non HRA	10,310	14,000	14,000	-	-	(9,990)	☺☺	When the budget was set, it was not known that these claims would be included under universal credit (UC). The impact of UC is that bed and breakfasts (B&Bs) within the borough are included under UC rules. There has been reduced B&B usage (to date only two cases) but this may change as the winter months approach and as other Local Authorities move to full UC service .
373	Rent Rebates-HRA Properties (Net)	(99,700)	(33,233)	14,441	47,674	-	(2,710)	☺☺	Subsidy predicted broadly in line with budgeted. Full years impact of UC not yet known and volatile budget which fluctuates. It should be noted that it has been identified that although currently in line with budget, the subsidy predicted has been decreasing which if this continues could adversely impact on the budget. Work will be undertaken to try and understand this pattern and the reasons potentially through the use of contractors. Implementation of Wider Use of Real Time Information (WURTI) which has allowed real time information on customers earnings when claiming housing benefits is expected to lead to an increase in overpayments recovered but this will be monitored.

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375	Rent Allowance Payments (Net)	(94,190)	(31,396)	(94,964)	-	63,568	(21,330)	☺☺	Subsidy predicted higher than budgeted for. It should be noted that it has been identified that although currently above budget, the subsidy predicted has been decreasing which if this continues could adversely impact on the budget. Work will be undertaken to try and understand this pattern and the reasons potentially through the use of contractors. Implementation of Wider Use of Real Time Information (WURTI) which has allowed real time information on customers earnings when claiming housing benefits is expected to lead to an increase in overpayments recovered but this will be monitored.
410	Homelessness	178,690	29,487	(13,451)	-	42,938	(10,770)	☺☺	New Housing Options Officer post vacant for first part of the year. B&B usage is lower than increased budget (based on forecast and 16/17 estimates) and therefore there is the potential for there to be a significant underspend if this materialises. Current forecast assumes no saving in relation to this due to the early stage in the year but will be closely monitored and updated as the year progresses. Flexible Homeless Support Grant of £50k received. Currently developing a range of activities locally and county wide which will require the support grant. Some of this may be in 2018/19.
471	Customer Services	786,770	298,970	286,553	-	12,417	22,300	☹	Transformation savings not expected to be met. Reduced by salary savings through vacant posts and removal of LCC receptionist. Remaining shortfall expected to be offset by savings within Communications due to vacant posts.
507	Environmental Maintenance	386,620	125,216	109,288		15,928	(5,000)	☺☺	The employee line includes savings due to new structure and pension savings, these are expected to continue throughout the year however some standby staff will be required to cover sickness and leave. The premises line has had a conservative start to the year with the aim of completing the tree survey works this year. Additional telephone charges have been identified which has reduced the underspend slightly.

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627	Wheels to Work	(87,740)	(3,595)	36,164	39,759	-	21,380
730	Retained Business Rates	310,632	310,632	379,174	68,542	-	(34,500)
Total Expenditure		3,400,132	1,374,548	1,054,931	156,850	476,467	(17,110)

⊖ Northampton scheme not successful. Approval of fees and charges delayed until June. Also winding down costs for the existing scheme. Increase in contract for W2W Administration Assistant not in the establishment. Partially offset through use of W2W reserve as approved by PFA.

⊖ This budget reflects the current situation with the levy. The current year end forecast is for the levy to be £345,137. Although this means that more is expected to be paid out in a levy, the overall MBC share of Business Rates has gone up and this will be reflected in the following year

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	General Expenses						
	<u>INCOME</u>						
050	Waste Management Income	700,200	258,313	168,915	89,398		0 ☺
							At the current rates and tonnages it is expected that the income will be as budgeted. However this does include a likely shortfall on recycling income which is mirrored by a small saving within the processing costs, it is expected that the shortfall will be recovered within other income streams such as bulky waste collection.
120	Car Park Income	686,660	228,887	182,332	46,555		35,000 ☹
							There is approximately £32k from Period 4 that has not been processed until Period 5, therefore current variance is approximately a £14k shortfall in parking fee income, arising from reduced usage due to other free parking availability. It is currently expected that this trend may continue and therefore a shortfall of £46k is currently predicted, however £11.5k is expected from the new Arla lease to offset some of the shortfall. Further data analysis is being undertaken to understand the usage figures better.
300	Cattle Market Income	381,420	95,142	132,904		37,762	0 ☺
							Animal income for June & July has been relatively low, we are currently enquiring with Gillstream as to some reasoning for this. It is currently expected to achieve at least budget, this is a prudent forecast at this stage, trends will be monitored at the end of Q2 to understand the affect of Phase 1 works on all income streams. Part of the current variance is due to a £26k reserve creditor relating to VAT owing on Market units, we are currently awaiting HMRC's response on this matter, current assumption is these monies will be due to them.
340	Planning Application Fees	626,070	208,690	200,726	7,964		0 ☺
							The shortfall appears to have been reduced by both the number of applications and their nature. This is partially mitigated by a small surplus from pre application advice. Very large scale applications are expected later in the year, which form the basis of the budget set. Government proposals for increase in planning app fees by 20% in July were postponed and we are awaiting news as to whether this will still go ahead later in the year.

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355	Building Control Fees	176,130	58,710	46,808	11,902		0	☺	There been some delays with invoicing during Period 4, explaining the current high adverse amount. The budget is expected to be met at the year end, as the summer months usually have a low demand, it is expected that demand will increase over the next few months, however this will be closely monitored. Training is to be provided to staff in order to introduce more flexibility within the service.
470	Parkside Income	317,570	112,337	153,811	-	41,474	70,000	☹	Income anticipated to be behind budget, due to LPT leaving. It was budgeted that they would continue occupation at a lower rate. Discussions are ongoing with CAB to revise their lease. North Kesteven have requested temporary accommodation for 22 desks, if this goes ahead this will reduce the shortfall shown. JCP have requested 2 additional desk spaces which will result in a small increase in income. MBC needs to consider a more proactive approach to marketing the vacant space.
472	Phoenix House Income	51,320	18,467	16,422	2,045	-	(9,870)	☺☺	Additional income due to new letting to Enterprise Cars, rent achieved is in excess of budget which was based on the previous tenant. The service charge is due to be calculated and will increase the surplus shown. There has been interest from a dance troop with regard to long term letting of 2 rooms, negotiations are ongoing.
620	Lottery	13,710	4,570	6,024	-	1,454	0	☺	Ticket sales are in excess of the budgeted figure, however we need to further review promotion and marketing approach and also incentivise grant funding organisations to increase their good cause sales. Any surplus will be used to offset the shortfall in the Community Service grants budget
	Total Income	2,953,080	985,116	907,942	157,864	80,690	95,130		
	Net Position	447,052	389,432	146,989	314,714	557,157	78,020		
730	Council Tax Collection Fund Surplus/Deficit	25,000	25,000	(5,000)		30,000	0	☺	Predicted amount of collection fund surplus/deficit attributable to MBC which will impact on next year's council tax setting. Although the current position is showing a surplus, this is not expected to be the year end position.