

BUDGET MONITORING- KEY SERVICE AREAS 2017-18
1 APRIL 2017 -25 FEBRUARY 2018

APPENDIX B

Main Code	Service Area	Latest Approved Budget	Budget to Period 11	Adjusted Actual to Period 11	<-----Variance----->		Projected Full Year Variance	()	
		£	£	£	Adverse £	Favourable £	Favourable £		
General Expenses									
<u>EXPENDITURE</u>									
050	Waste Management Contractor Costs	1,955,110	1,792,184	1,462,461	-	329,723	(2,140)	☺☺	The Baxters increase has been applied at 3.14%, this was budgeted at 1%, resulting in an overspend. However the current expected underspend of £2,140, is a result of less than expected VO's. The current variance is due to the payment of invoices being behind the profiled budget.
060	Leisure Vision	72,190	49,775	51,334	1,559	-	6,360	☹	Based on SLM info it is expected that the management fee is broadly in line with that budgeted for with the exception of utilities which are expected to be £12k higher (reduced to £11k after a credit for tennis club income). Mechanical and electrical R&M works have materialised since last reporting. This now takes the expenditure on contract works above the amount that was expected to be spent thus reducing the underspend available to help towards the additional management fee expected as above. Shortfall in income due to football club rent free period and Rugby club income expected to be only £5.25k after the year end review of amounts over £5k which the Rugby Club have incurred in maintenance costs which reduces their amount payable in rental.
372	Rent Rebates - Non HRA	10,310	38,500	38,500	-	-	(8,670)	☺☺	When the budget was set, it was not known that these claims would be included under universal credit (UC). The introduction of UC has meant that there have been very few claims under this type as most claimants have been under UC and are therefore not entitled to housing benefits. However, poor weather conditions (i.e. long periods of cold weather) means there is a further duty to house homeless which could potentially further impact as the B&Bs used are likely to be outside of the area which will result in a HB claim. For all other cases, those that are entitled to HB alternative accommodation options are being sought due to lack of local temporary accommodation.

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	General Expenses								
373	Rent Rebates-HRA Properties (Net)	(99,700)	(94,460)	(332,423)	-	237,963	(13,250)	😊😊	Subsidy predicted slightly higher than budgeted for. Remains a volatile budget which fluctuates. Verification of Earnings and Pension Information which has allowed real time information on customers earnings when claiming housing benefits is expected to lead to an increase in claimant error overpayments which attracts a lower subsidy which can impact on the subsidy % received. Change in the process around end of tenancy overpayment recovery from rent accounts which means expenditure is likely to be reduced which may also impact on the subsidy but impact of this yet to be determined. It should be noted that the underspend predicted has been increased by £5k due to forecast additional overpayment recovery against budget which is as a result of Verification of Earnings and Pension Information and Real Time Information (RTI).
375	Rent Allowance Payments (Net)	(94,190)	(90,062)	(435,788)	-	345,726	11,960	☹️	Subsidy predicted is below the % budgeted for. There were a number of ongoing cases for which payments had been on hold which accounted for the dip in actual subsidy % earlier in the year. As expected this has reversed and subsidy % has increased however this has not been at the level required to meet the previously predicted mid year subsidy which is mainly due to larger overpayments identified through the Single Fraud Investigation Service, Real Time Info and Verification of Earnings and Pension service - all of which are external factors. This coupled with fewer HB claims due to the introduction of UC has further impacted on the %. It should be noted that the reduction in subsidy predicted has been mitigated by £15k due to forecast additional overpayment recovery against budget which is as a result of Verification of Earnings and Pension Information and Real Time Information (RTI).
410	Homelessness	178,690	174,553	156,671	-	17,882	22,980	☹️	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). As previously reported there are now £77k of debts from 2004 onwards which are to be put forward for write off (or as a credit for previous errors, i.e. duplication of invoices). A new process is now in place to prevent a reoccurrence of this. Note, to date only £35k has been written off and the Income Recovery Officer is aware of the need to ensure that the remaining write offs are completed before year end otherwise there is a risk that the write offs will impact on the 18/19 budget.

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General Expenses									
471	Customer Services	808,170	743,797	694,669	-	49,128	(690)	☺	Employee related costs lower than budgeted for due to vacancies only being part filled and at a lower band. Also secondments to other services for a longer period. Note reduction since last month due to honorarias due to benefits employees.
507	Environmental Maintenance	392,610	333,781	313,732	-	20,049	(7,000)	☺☺	Current vacancies within the team is projected to result in a £5k saving. It is also expected that a £2k saving will be achieved due to increased in-house works being completed, reducing the need for external contract works.
627	Wheels to Work	(87,740)	(65,000)	(37,294)	27,706		89,720	☹	Previous comments re Northampton scheme, delay in approval of fees and charges, increase in contract for one post not in the establishment, less requirement for contribution to funds and use of the W2W reserve still stands. The number of hirers is below that expected and that required to receive the output related funding. The year end forecast therefore assumes loss of one quarters income from the Access Fund and the County. The current level of bad debts, now assumes that there will only be a 60% recovery rate which is reflected in the year end forecast. Note, reduced from last month due to £7.5k contribution to R&R fund no longer needed on the assumption CSA approve the recommendation within the W2W 20.03.2018 report re sale of vehicles.
730	Retained Business Rates	310,632	310,632	316,412	5,780	-	(630)	☺	This budget reflects the current situation with the levy. The current year end forecast is for the levy to be £310,000
Total Expenditure		3,446,082	3,193,700	2,228,274	35,045	1,000,471	98,640		

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	General Expenses						
	<u>INCOME</u>						
050	Waste Management Income	700,200	636,214	534,750	101,464		19,000 ☹
							At the current rates and tonnages it is expected that the income will be lower than budgeted. Higher than expected contamination levels of recycling is contributing to the shortfall, due to a few rejected loads, and will continue to do so in Quarter 4. The price per tonne has decreased significantly from £49.88 to £35.42, this is below the budgeted £45.91 and is likely to continue into next year.
120	Car Park Income	686,660	629,438	586,226	43,212		40,740 ☹
							The shortfall is anticipated to be £44k on parking fees. Analysis shows that the short stay parking income is the most affected with a current shortfall of £18k compared to 2016/17. This is offset by some additional income, £10.5k is expected from the new Arla lease and a £4k surplus on Season Ticket sales. Income previously reported from VAT overpayments is no longer expected, the latest advice means MBC are due to repay HMRC £5.3k for 16/17 and £3.3k for 17/18.
300	Cattle Market Income	372,000	315,245	260,940	54,305		88,800 ☹
							Using the most recent data and projecting this forward, it is forecast that there will be a shortfall of £88k. Trends will continue to be monitored to understand the affect of Phase 1 works on all income streams. The percentages that we currently receive will be revised as part of the larger re-negotiation of the longer term lease. The 2017/18 budget was based on projections provided by Gillstream, it is now understood that these projections were based on figures provided by the previous leaseholders. The same figures had been used for investors.
340	Planning Application Fees	639,340	586,062	682,244		96,182	(90,000) 😊😊
							Due to a large application received in November, it is felt that the budget will result in a surplus, assuming that the current demand continues. Government proposals for increase in planning app fees by 20% in July, was adopted 17th January 2018 and built into the year end projection. The surplus is affected by the need to support increased expenditure elsewhere through virements.

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355	Building Control Fees	176,130	161,453	114,119	47,334		51,000 ☹️
							There is a shortfall of £23k on Inspection charges and £30k on plan submission fees. This has been marginally offset by a £2k surplus on Street Naming & Numbering. Analysis has been completed on all fee earning applications coming into the council, this showed that applications have reduced compared to previous years, indicating that there is less activity within the market, of that market share the use of approved inspectors is at approximately 58%, (in previous years this has been on average around 35%), this equates to only 42% of available work being completed by MBC. It seems that private approved inspectors are now chasing the smaller jobs, which is taking the work away from MBC. It is thought that demand will remain as it is over the next few months. The projected year end is considered to be fair projection at this time.
470	Parkside Income	310,150	278,009	277,758	251		60,000 ☹️
							Income anticipated to be behind budget, due to LPT leaving. It was budgeted that they would continue occupation at a lower rate. MBC needs to consider a more proactive approach to marketing the vacant space. A space planning project to increase desk space by a minimum of 14 desks per floor has commenced and may result in additional income in the new financial year subject to the successful letting of the new space.
472	Phoenix House Income	53,300	48,942	51,483		2,541	0 ☺️
							Additional income has been achieved due to new letting to Enterprise Cars, rent achieved is in excess of budget which was based on the previous tenant. Additional income vired to King St and Parkside to reduce the loss of income on those budgets
620	Lottery	13,710	12,568	9,567	3,001		0 ☺️
							Ticket sales are in excess of the budgeted figure, and based on current predictions will sell 24,680 for the year, this is 5,000 more than anticipated. We need to further review promotion and marketing approach, radio advertising has commenced. Also need to incentivise grant funding organisations to increase their good cause sales. Any surplus arising will be used to offset the shortfall in the Community Service grants budget.
	Total Income	2,951,490	2,667,931	2,517,087	249,567	98,723	169,540
	Net Position	494,592	525,769	-288,813	284,612	1,099,194	268,180
730	Council Tax Collection Fund Surplus/Deficit	25,000	25,000	(21,051)	-	47,116	(42,000) ☺️☺️
							Predicted amount of collection fund surplus/deficit attributable to MBC which will impact on next year's council tax setting. The trend for there to be a large deduction/increase in surplus/deficit as seen over the last few years has not happened this year. Therefore the expected surplus at the year end is now £17,000