



REPORT of DIRECTOR OF RESOURCES

**to
FINANCE AND CORPORATE SERVICES COMMITTEE
31 JULY 2018**

BUDGETARY CONTROL (APRIL – JUNE 2018)

1. PURPOSE OF THE REPORT

- 1.1 To provide Members with information in relation to financial performance over the period 1 April 2018 to 30 June 2018.

2. RECOMMENDATION

That Members review and comment on the contents of this report.

3. SUMMARY OF KEY ISSUES

This report is for Members' information only.

3.1 Revenue Budgets

- 3.1.1 **APPENDIX 1** provides information in relation to controllable revenue budgets. This information is presented by Directorate. The appendix also provides information in relation to total expenditure and total income; this is to assist in understanding whether expenditure variances are caused by over or underspends or income is either exceeding or not meeting expectations. **APPENDIX 1A** gives the summary budget data for those budgets over £10,000 on a service line basis. **APPENDIX 1** shows the following:

- Current controllable budget – the current year annual budget amount as approved by the Council on 8 February 2018; this figure will include any adjustments to budget levels such as virements movements or supplementary estimates which have been approved.
- Outturn to date – the actual expenditure or income from 1 April 2018 to 30 June 2018.
- Variance to budget – this shows the difference between the annual budget amount and the outturn to date.
- Current budget utilised (%) – this shows the outturn as a percentage of the current budget.

3.1.2 Total expenditure and income over the period 1 April 2018 to 30 June 2018 totals £1,255,785; this represents 18% of the total controllable budget of £7,034,116.

Directorate	Current Controllable Budget	Profiled controllable expenditure	Outturn to Date	Variance to Profiled Budget	% of current Controllable Budget Utilised
	£		£	£	
Chief Executive	973,800	225,800	236,352	10,552	24%
Resources Directorate	2,355,700	741,076	659,985	(81,091)	28%
Customers and Community Directorate	1,866,416	72,729	68,353	(4,376)	4%
Planning and Regulatory Directorate	1,838,200	350,935	291,094	(59,840)	16%
TOTAL	7,034,116	1,390,540	1,255,785	(134,755)	18%

3.1.3 The report provides information for the first quarter of the 2018 / 19 financial year; if expenditure or income are utilised or received evenly throughout the year, we would expect outturn to be 25% of the annual budget. However, budgets have been reprofiled for key items to reflect the expected income/expenditure.

3.1.4 **APPENDIX 1A** shows both the actual variance to profiled budget and % variance to annual controllable budget on a cost centre basis. Where budgets aren't in line with expectation, variances relate to annual payments such as leases and grants that will not follow any profiling; or demand led budgets such as maintenance. The following areas are currently demonstrating significant variances against the annual controllable budgets or the profiled budgets:

Chief Executive and Resources Directorate

- Committee Services are showing an overspend due to a one-off exit package and interim agency costs that will be covered with salary underspends and reserve contributions.
- Council Offices are £30,000 underspent due to demand led budgets, such as utility bills and responsive maintenance.
- Elections canvassing is currently in progress so there will be expenditure for Quarter Two (Q2).
- Internal Audits Quarter One (Q1) payment has not yet been made.
- Finance underspends relate to the asset revaluation contract and procurement hub subscription which currently have not had any demands for payments for 2018 / 19.

Customers and Community Directorate

- Garden Waste Subscriptions are collected annually at the start of the year and total £437,000, therefore reducing the amount of expenditure incurred in the first quarter of the year.

- Administration Grants relating to Business Rates, Housing Benefits and Council Tax are one off annual payments.
- Highway Rangers have not received any income, therefore only the expenditure is showing against the net budget.
- Maldon Promenade Income is considered in section 3.2.3 below.

Planning and Regulatory Services Directorate

- Salaries are underspent due to vacancies, this is considered further in paragraph 3.2.1.2.
- There is £140,000 of one-off grant income relating to Housing and MAGNOX that has been received in the first quarter that reduces the overall expenditure against annual budget.

3.2 **Key Areas of Note**

3.2.1 Vacancy Savings

3.2.1.1 Current salary and temporary staff expenditure for the period totals £1,881,454 against a current budget totalling £8,073,200 (this represents 23.3% of the total salary budget).

3.2.1.2 **APPENDIX 2** shows that there is currently a £140,505 underspend, 63% of this variance relates to vacant posts within the Planning and Regulatory Services Directorate, particularly across Building Control, Development Management and Enforcement (£75,396).

3.2.1.3 With a recruitment freeze currently in place, salary vacancies are expected to increase over Q2.

3.2.2 Agency Expenditure

3.2.2.1 Over the period to 30 June 2018, the total costs of Agency staff that have been included within the salary variances above are as follows: -

Service	Expenditure to 30 June 2018 (£)
Committee Services	17,210
IT	7,650
Building Control	13,502
TOTAL	38,363

3.2.2.2 As previously agreed with members, more detail on agency expenditure will be provided within the Q1 personnel statistics report.

3.2.3 Major Sources of Income

3.2.3.1 The Council is dependent on income from fees and charges to balance the budget. The table below details the main income budgets and income received for the period to 30 June 2018 and the comparative information for the same period in 2017 / 18:

Area of Income	Current Budget £	2018/19 Income to 30 June £	% of Current Budget	Projected Outturn	2017/18 Income to 30 June £
Land Charges	121,900	32,069	26.31	122,300	32,388
Planning Development Fees	782,600	190,002	24.28	765,300	140,226
Pre Application Advice	44,200	17,761	40.18	79,600	12,473
Planning Performance Agreements	42,000	500	1.19	42,000	-
Building Control	135,300	41,675	30.80	166,400	40,521
Cemeteries	92,900	31,688	34.11	95,000	21,356
Investment Income	228,300	66,838	29.28	228,300	32,000
Town Centre Car Parks	702,200	165,294	23.54	713,800	174,534
Prom Car Parks	374,200	123,552	33.02	372,000	143,590
Splash Park	110,000	33,696	30.63	130,000	43,018
TOTAL	2,633,600	703,075	26.70	2,724,800	640,557

3.2.3.2 Key headlines are:-

- Overall, 26.7% of the expected annual income has been received.
- Of these, the splash park and prom car parks are seasonal, and therefore income would be expected to be exceeding 25%.
- Cemeteries income is exceeding budget; however, this cannot be predicted, therefore the projected outturn has been marginally increased.
- The projected outturn for planning income reflects the position if demand continues at the current levels.
- Planning Performance agreements are not meeting budget; however, the department are confident that this income will be received in the financial year, therefore the projected outturn has not been amended.

3.3 **Capital Projects**

3.3.1 **APPENDIX 3** provides details of the capital projects for the 2018 / 19 financial year.

3.3.2 As part of the 2018 / 19 budget process, the capital programme was reviewed and approved. The total programme to be carried out in 2018 / 19 totalled £804,000.

3.3.3 Eight Capital projects totalling £253,000 have been carried forward from 2017 / 18 into the 2018 / 19 programme, as they were on-going or were committed to at year end but had yet to start, increasing the total programme to £1,057,000.

- 3.3.4 Total expenditure for the period to 30 June was £158,000 this reflects 15% of the overall 2018 / 19 capital budget of £1,057,000.
- 3.3.5 All projects are anticipated to be completed in 2018 / 19 and officers will continue to monitor progress.

4. CONCLUSION

- 4.1 There are currently no concerns over financial performance to budget. Income is performing as expected and expenditure variances are relating to timing of transactions and works.
- 4.2 Capital projects are progressing, and the programme is expected to be completed within this financial year.

5. IMPACT ON CORPORATE GOALS

- 5.1 This report links to the corporate goal of ‘delivering good quality, cost effective and valued services’.

6. IMPLICATIONS

- (i) **Impact on Customers** – None directly.
- (ii) **Impact on Equalities** – None identified.
- (iii) **Impact on Risk** – There are no corporate risk issues associated with this report.
- (iv) **Impact on Resources (financial)** – Variances from the budget will impact upon the level of balances and/or capital reserves available in the future.
- (v) **Impact on Resources (human)** – None
- (vi) **Impact on the Environment** – None.

Background Papers: None.

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