



**REPORT of  
INTERIM SECTION 151 OFFICER**

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**to  
FINANCE AND CORPORATE SERVICES COMMITTEE  
29 AUGUST 2019**

**BUDGETARY CONTROL (APRIL – JULY 2019)**

**1. PURPOSE OF THE REPORT**

- 1.1 To provide Members with information in relation to financial performance over the period 1 April 2019 to 31 July 2019.

**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** shows both the actual variance to profiled budget and % variance to annual controllable budget on a cost centre basis. Where budgets are not 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:

- Budget Value – The current year annual budget amount, as approved by the Council on 14 February 2019; this figure will include any adjustments to budget levels such as virements movements or supplementary estimates which have been approved, since 1 April 2019.
- Profiled Budget – The expected budgets pend after four months of the financial year.
- Outturn year to date – The actual expenditure or income from 1 April 2019 to 31 July 2019. This equates to Quarter One (Q1) plus one month of Quarter Two (Q2).
- Variance to profiled budget – This shows the difference between the profiled budget amount and the outturn to date.
- Outturn as % of budget – This shows the outturn as a percentage of the current budget.

- 3.1.2 The report provides information for the first quarter of the 2019/20 financial year; if expenditure or income are utilised or received evenly throughout the year, we would expect outturn to be 33% of the annual budget. However, budgets have been reprofiled for key items to reflect the expected income/expenditure.

#### Resources Directorate

- Corporate core is overspent due to the costs of recruitment of senior posts.
- Committee Services have received additional income from court costs relating to legal appeal hearings.
- I.T. services budgets are higher than profile due to software maintenance charges being paid in Q1 for the year.
- Council Offices are £22,000 overspent due to demand led budgets, such as utility bills and responsive maintenance paid in Q1 for the year.
- Internal Audit payments are made at the end of each quarter not monthly, the next payment for Q2 will be due in September.
- Springfield industrial estate income is higher than profile due to Q2 invoices going out in early July.
- Election management was higher than profile due to all expenditure being in May when the elections took place.

#### Service Delivery Directorate

- Administration grants relating to Business rates, housing benefit and council tax are one off annual payments.
- As at 31 July 2019, the Rent Allowances Subsidy payments received from the government are based on an initial estimated expenditure submitted at the beginning of the financial year. The actual expenditure is below that estimated initially due to the effect of the full rollout of the Universal Credit in the District and therefore the excess income will be repaid back to the government. This is why the Housing Services line in Appendix 2 is showing an underspend.
- River income is higher than profile due to Q2 invoices going out in early July.
- Cemeteries grave digging invoices are still to be paid, meaning income is showing higher than profile.
- Highway Rangers have still to invoice Essex County Council (ECC) for Q1, this will offset the expenditure.
- Parks events income is higher than profile due to a successful car show event.
- Maldon Promenade Income is considered in section 3.2.3 below.

#### Strategy Performance and Governance Directorate

- Temporary Events and Personal licences and taxi and hire licences income has been received in Q1. Invoices for the cost of consultancy have yet to be received.

- Homelessness grant received at the start of the year, expenditure will be incurred over the duration of the year.

## 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 £2,184,964 (representing 28.85%) of the current budget of £7,572,400.

3.2.1.2 **APPENDIX 2** shows that there is currently an £451,959 underspend. This variance relates to the ongoing implementation of the Future Model and the associated transformation programme in roles to reach the final structure. The appendices attached have been reported half year in the old structure and half year in the new structure.

### 3.2.2 Agency Expenditure

3.2.2.1 Over the period to 31 July 2019, the total costs of Agency staff that have been included within the salary variances above are as follows:

Service	Expenditure to 31 July 2019 (£)
Committee Services	4,538
Development Control	5,968
HR	30,845
Finance	37,924
Housing	10,162
Parks	462
<b>TOTAL</b>	<b>89,899</b>

3.2.2.2 As previously agreed with members, more detail on agency expenditure will be provided within the HR 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 31 July 2019 and the comparative information for the same period in 2018 / 19:

Area of Income	Current Budget £	2019/20 Income to 31 July £	% of Current Budget	Projected Outturn	2018 / 19 Income to 31 July £
Land Charges	121,900	36,880	30.25	122,300	40,839
Planning Development Fees	733,600	151,146	20.60	733,600	230,598
Pre-Application Advice	44,200	8,591	19.44	44,200	22,750
Planning Performance Agreements	102,000	0	0.00	102,000	449

Area of Income	Current Budget £	2019/20 Income to 31 July £	% of Current Budget	Projected Outturn	2018 / 19 Income to 31 July £
Building Control	140,700	33,950	24.13	140,700	50,729
Cemeteries	97,300	34,044	34.99	97,300	39,628
Investment Income	245,000	62,997	25.71	245,000	13,698
Town Centre Car Parks	704,300	251,975	35.78	704,300	228,915
Prom Car Parks	382,200	169,259	44.29	382,200	192,204
Splash Park	110,000	51,205	46.55	110,000	78,234
<b>TOTAL</b>	<b>2,681,200</b>	<b>800,047</b>	<b>29.84</b>	<b>2,681,600</b>	<b>898,044</b>

### 3.2.3.2 Key headlines are:

- Overall, 29.84% 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 33%.
- 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 with the inherent risk that continues at the levels to date.
- Planning Performance agreements are not meeting budget; it is expected 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 2019/20 financial year.

3.3.2 As part of the 2019/20 budget process, the capital programme was reviewed and approved. The total programme to be carried out in 2019/20 totalled £701,000.

3.3.3 Eight Capital projects totalling £837,700 have been carried forward from 2018 / 19 into the 2019/20 programme, as they were on-going or were committed to at year end but had yet to start, increasing the total programme to £1,538,700.

3.3.4 Total expenditure for the period to 31 July was £480,329 this reflects 31% of the overall 2019/20 capital budget of £1,538,700.

3.3.5 All projects are anticipated to be completed in 2019/20 and officers will continue to monitor progress.

## 4. CONCLUSION

4.1 There are currently no significant concerns over financial performance to budget. Income is performing as expected with the caveat of the inherent risks in development control fees and income from seasonal activities that may be affected by unseasonal

weather conditions during the summer holiday period and expenditure variances are relating to timing of transactions and works.

- 4.2 Capital projects are progressing, and the programme at this stage in the financial year 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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