



## **REPORT of DIRECTOR OF RESOURCES**

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**to  
FINANCE AND CORPORATE SERVICES COMMITTEE  
25 JULY 2017**

### **BUDGETARY CONTROL (APRIL – JUNE 2017)**

#### **1. PURPOSE OF THE REPORT**

- 1.1 To provide Members with information in relation to financial performance over the period 1 April 2017 to 30 June 2017.

#### **2. RECOMMENDATION**

That Members note 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 £25,000 on a service line basis. **APPENDIX 1** shows the following:

- Current controllable budget – the current annual budget amount as approved by the Council on 16 February 2017; this figure will include any adjustments to budget levels such as virements movements or supplementary estimates which have been approved.
- Actuals to date – the current actual expenditure or income to 30 June 2017.
- Variance to budget – this shows the difference between the annual budget amount and the actual to date.
- Current budget utilised (%) – this shows the amount of actuals as a percentage of the current budget.

- 3.1.2 Total expenditure and income over the period 1 April 2017 to 30 June 2017 totals £1,843,456; this represents 29% of the total controllable budget of £6,302,900.

<b>Directorate</b>	<b>Current Controllable Budget</b>	<b>Profiled controllable expenditure (3/12ths)</b>	<b>Actual to Date</b>	<b>Variance to Profiled Budget</b>	<b>% of current Controllable Budget Utilised</b>
	<b>£</b>		<b>£</b>	<b>£</b>	
Chief Executive	722,900	180,725	168,955	- 11,770	<b>23%</b>
Resources Directorate	2,497,400	624,350	764,267	139,917	<b>31%</b>
Customers and Community Directorate	1,411,700	352,925	597,016	244,091	<b>42%</b>
Planning and Regulatory Directorate	1,670,900	417,725	313,219	-104,506	<b>19%</b>
<b>TOTAL</b>	<b>6,302,900</b>	<b>1,575,725</b>	<b>1,843,457</b>	<b>267,732</b>	<b>29%</b>

3.1.3 The report provides information for the first quarter of the 2017 / 18 financial year; should expenditure or income be utilised or received evenly throughout the year, at this point we would expect variances to be around 25%. In the following sections further details are provided where there are considerable variances.

3.1.4 The following areas are currently demonstrating significant variances:

Chief Executive and Resources Directorate

- Training budget is demand led. The Performance review cycle is currently finalised for the 2017 / 18 objectives, and this will highlight where there are any individual training needs.
- Internal Audit and Performance Management is invoiced, no invoice has currently been received for services. Budget is based on the total contract cost, therefore is expected to be spent.
- Electoral Registration is about to start the canvassing exercise for 2017 / 18 so more expenditure will start being incurred.
- Council Offices appears overspent, however Rates on property are a one off payment and therefore the whole budget has been spent in quarter one.
- IT services has incurred annual software payments in quarter one which are for the full year.

Customers and Community Directorate

- National Non Domestic Rates (NNDR) Collection is a grant receipt in year, this will be a one off payment from Government.
- Housing Benefits Administrations is a grant. This is now paid to the Authority as smaller new burdens sums that will be received throughout the year.
- Car Park income for the promenade is seasonal and therefore more income is expected to be received in the first two quarters of the year.

- Community Grants are paid by the Authority as one off sums to individual bodies and the expenditure is therefore not anticipated to follow an equal profiling.

#### Planning and Regulatory Services Directorate

- Planning Policy has some expenditure where there are no budgets, this expenditure is covered by the Local Development Plan (LDP) reserve, and a claim for a £20,000 grant for Neighbourhood plans for a referendum being held in July.
- Income is also low for Planning Development Fees that is looked at in more detail in section 3.2.3.
- Salaries are underspent due to vacancies, this is considered further in paragraph 3.2.1.2.

### **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 £1,765,081 against a current budgets totalling £7,656,000 (this represents 23.05%).

3.2.1.2 **APPENDIX 2** shows that there is currently a £148,000 underspend, 51% of which relates to vacant posts within the Planning and Regulatory Services Directorate. These posts have been recruited including a 15% market supplement however budgets are profiled equally over the 12 months. The vacancy savings will be used to cover the additional staff costs when the vacant posts are started to fill from the end of July.

3.2.1.3 Revenues and Benefits also significant underspends, these relate to vacancy savings and will be used to finance an internal restructure without need for redundancy.

#### **3.2.2 Agency Expenditure**

3.2.2.1 Over the period to 30 June 2017, the total costs of Agency staff that have been included within the salary variances above are as follows:-

<b>Service</b>	<b>Expenditure to 30 June 2017 (£)</b>
Corporate Core	22,800
Committee Services*	26,481
Housing	7,215
Planning Policy	21,930
Development Control	2,580
Building Control	981
<b>TOTAL</b>	<b>81,987</b>

\* This figure is not included in the salary variances, as a supplementary estimate and subsequent budget have been set separately in agency costs, and does not require a virement from the salary budget.

3.2.2.2 As previously agreed with members, more detail on agency expenditure will be provided. This will be brought to the 26 September Finance and Corporate Services Meeting by the People, Performance and Policy Team.

### 3.2.3 Major Sources of Income

3.2.3.1 The Council is dependent on several large income sources in order to balance the budget. The table below details the main income budgets and income received for the period to 30 June 2017. It also provides information in relation to income levels for the same point in 2016/17 for comparison:

Area of Income	Current Budget £	2017/18 Income to 30 June £	% of Current Budget	2016/17 Income to 30 June £
Land Charges	154,500	32,388	20.96	33,922
Planning Development Fees	863,000	140,226	16.25	115,284
Pre Application Advice	27,800	12,473	44.87	8,430
Building Control	182,000	40,521	22.26	43,241
Investment Income	157,800	32,000	20.28	55,715
Town Centre Car Parks	687,500	174,534	25.39	156,452
Prom Car Parks	323,000	144,041	44.59	93,597
Splash Park	110,000	43,018	39.11	4,367
<b>TOTAL</b>	<b>2,505,600</b>	<b>619,201</b>	<b>24.71</b>	<b>511,008</b>

3.2.3.2 Key headlines are:-

- Planning Development Fees are currently being reviewed by the Policy Manager to consider the level of Major Planning Fees anticipated.
- Investment income is an estimation of that expected in Quarter 1.
- Splash Park income looks higher than in previous year, however this is due to the Quarter 1 takings for 2016 / 17 being banked later than in 2017 / 18.
- Pre Application Advice is demand led, and this may change in future months.

### 3.3 **Capital Projects**

3.3.1 **APPENDIX 3** provides details of the capital projects due to be undertaken during the 2017/18 financial year.

3.3.2 As part of the 2017 / 18 budget process, the capital programme for 2017 / 18 was reviewed and approved. The approved programme totalled £949,000.

3.3.3 There were a number of capital projects from 2016 / 17 that have been included for 2017/18 as they were on-going or were yet to start as at 31 March 2017; these projects were outlined in the Financial Outturn 2016/17 report that came to this Committee in June 2017. The balances included to be carried forward into 2017/18 are £795,000.

- 3.3.4 Total expenditure for the period to 30 June 2017 stands at £239,000 this reflects 13.72% of the overall 2017/18 budget (totalling £1,744,000).
- 3.3.5 Of this budget, £403,000 relates to projects that are now not going ahead as originally bid for. £193,000 of this is intended to be used for the transformation project, £160,000 will be subject to a future bid to members relating to the Maldon Master plan, £40,000 for depot screening is being removed as is linked to a decision relating to the Millfield caravan park, and therefore if still required, will be requested through the 2018 / 19 budget process and £10,000 is no longer required for the amphitheatre and will be returned to funds.

#### **4. CONCLUSION**

- 4.1 Current financial performance is within approved budget limits.
- 4.2 Capital projects are progressing, with further projects to start within the Council's parks and open spaces over the later period of the financial year. The Director of Customers and Community has reviewed resources allocated to the delivery of capital projects in his directorate to ensure estimated delivery times are achieved going forward.

#### **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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