

# Scrutiny Panel

12th June 2018

Item  
**10**

<b>Report of</b>	<b>Assistant Director Policy &amp; Corporate</b>	<b>Author</b>	<b>Sean Plummer</b> ☎ 282347 <b>Darren Brown</b> ☎ 282891
<b>Title</b>	<b>Financial Monitoring Report – End of Year 2017/18</b>		
<b>Wards affected</b>	Not applicable		

## 1. Executive Summary

- 1.1 This report sets out the financial performance of General Fund Services and the Housing Revenue Account (HRA) for the year 2017/18.

## 2. Action required

- 2.1 The panel is asked to note the financial performance of General Fund Services and the Housing Revenue Account (HRA) for the year 2017/18.

## 3. Reason for scrutiny

- 3.1 Monitoring of financial performance is important to ensure that:
- Service expenditure remains within cash-limited budgets.
  - Potential variances at year-end are identified early so that remedial action can be taken to recover the position or 'recycle' any surplus budgets.
  - Performance targets are being met.
- 3.2 This report also gives the committee the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets.

## 4. Background

- 3.1 The revenue budget position was last considered by Governance and Audit Committee on 6th March 2018. This was as at Quarter 3, and showed a projected net overspend of £44k against the General Fund, along with the Housing Revenue Account being forecast to be on budget.
- 3.2 The accounts for 2017/18 have been signed and this report has been prepared using these figures, which are still subject to external audit.
- 3.3 All the information presented in respect of General Fund Services shows the position based on net 'direct costs'. The review of the Housing Revenue Account is different in that it shows all costs, both direct and indirect.

## 5. General Fund – End of Year Position

5.1 In total the General Fund outturn shows a net surplus after carry forwards of £0.1m. A number of the factors contributing to this position have been identified and reported during the year, but some of the key messages behind this figure are that:-

- There have been one-off unforeseen/unbudgeted costs (e.g. redundancy costs) and service-demand cost pressures that have contributed to the outturn position.
- The main service income lines show £0.2m more income compared to the budget. The main gains being in commercial assets, waste recycling and parking.
- There are a number of one-off technical items which have mitigated the cost pressures in-year, including a gain on housing benefits/subsidy, and miscellaneous Government Grants.

5.2 The following table summarises the outturn position for each Service, the effect of the approved requests for carry forward into 2018/19, and a breakdown of the outturn position against the main non-service areas.

	Budget	Actual	Variance	c/f	Net
	£'000	£'000	£'000	£'000	£'000
Corporate & Democratic Core	(496)	(450)	46	-	46
Policy & Corporate	8,243	7,676	(567)	686	119
Executive Management Team	659	656	(3)	-	(3)
Commercial	452	1,013	561	-	561
Community	4,415	4,268	(147)	44	(103)
Customers	4,108	3,999	(109)	73	(36)
Environment	2,918	2,771	(147)	-	(147)
<b>Sub-Total Services</b>	<b>20,299</b>	<b>19,933</b>	<b>(366)</b>	<b>803</b>	<b>437</b>
<i>Technical / corporate items</i>					
NEPP (North Essex Parking Partnership)	(210)	(272)	(62)	62	-
CIMS (Colchester & Ipswich Museum Service)	1,164	1,193	29	(29)	-
Benefits	(984)	(1,288)	(304)		(304)
Net General Fund / HRA	4,340	4,367	27	-	27
<b>Total Services</b>	<b>24,609</b>	<b>23,933</b>	<b>(676)</b>	<b>836</b>	<b>160</b>
Pensions	(634)	(657)	(23)		(23)
MRP (Minimum Revenue Provision)	1,255	1,255	-		-
CLIA	747	726	(21)		(21)
Misc items	-	37	37		37
Misc Gov't grants	(87)	(162)	(75)		(75)
General service related items	332		(332)	175	(157)
Local Taxation - Business Rates	(4,938)	(5,920)	(982)	982	-
Local Taxation - Business Rates Pool	-	(834)	(834)	834	-
<b>Total</b>	<b>21,284</b>	<b>18,378</b>	<b>(2,906)</b>	<b>2,827</b>	<b>(79)</b>

- 5.3 The above table shows approved carry forward requests and other technical accounting adjustments totalling £2.83m. The key items include:-
- £0.3m in respect of specific New Homes Bonus (NHB) funded items, the largest item being £100k agreed by Cabinet for Private Sector Landlord Incentives Pilot.
  - £1.8m in respect of business rates (including £0.8m in respect of the pooling gain).
  - £57k in respect of funding allocated for Local Development Framework (Core Strategy) and Community Infrastructure Levy (CIL)
  - £45k in respect of back-scanning and indexing project.
  - £156k in respect of one-off costs associated with the establishment of the Commercial trading subsidiaries.
  - £332k in respect of funding allocated for projects within ICT & Communications.
  - £29k linked to various on-going projects within Community Services, including £7k for locality budgets.
  - £19k for health & housing project
- 5.4 The following table provides an alternative view of the outturn position, and gives a breakdown by major expenditure and income variances.

<b>Draft Outturn Summary:-</b>	<b>£'000</b>	<b>£'000</b>
<i>Cost Pressures:-</i>		
• Redundancy costs absorbed within Customers	116	
• Planning Appeals ( <i>based on decision to not use balances for these</i> )	67	
• Finance (systems support / vacancy factor savings)	59	
• Governance (employees/vacancy factor savings/lower procurement hub rebates)	47	289
<i>Less income:-</i>		
• Net Commercial Trading Areas	351	
• Planning income	149	
• Digital Broadband income	92	
• Council Tax Sharing Agreement	88	
• Sport & Leisure <i>net</i> shortfall in income	64	744
<i>Underspends / income gains:-</i>		
• Car Parks (one-off NEPP off-street gain/ more parking income / higher banking charges)	(133)	
• Commercial Properties/Lettings income (net)	(130)	
• Zones (Grounds Mtce / NNDR / Utilities)	(99)	
• Customer Solutions employee costs	(89)	
• ICT (General underspends/roundabout advert income/CBH SLA)	(49)	
• Waste (Recycling credits/Glass sales/Trade Waste/Materials)	(44)	
• Corporate Asset Mgt (R&M / PPM, CBH SLA income)	(42)	(586)
<i>Corporate / technical items</i>		
• Benefits gain	(304)	
• Various service related and misc. technical items	(147)	
• Misc Govt grants	(75)	(526)
<b>Total</b>	<b>(79)</b>	<b>(79)</b>

### *Service Budget Position*

- 5.5 **Appendix A** details final direct expenditure and direct income for each service (excluding Benefits, NEPP & JMC), and **Appendix B** breaks this down by subjective group.
- 5.6 **Appendix C** details all budget variances analysed between expenditure and income, including the agreed carry forwards against each area to provide some context. The majority of the more significant variances have been reported to the Panel during the year.
- 5.7 The overall position on services shows a lower net overspend from the forecast reported at Period 9. The largest changes include more income than forecast from Commercial & Investment properties and Corporate Asset Management, Recycling & Fleet and Parking. There has been less expenditure within Zones than forecast, with more net expenditure than forecast on Economic Growth, Sport and Leisure, Monitoring & Response and Events.
- 5.8 Appendix B highlights there is a total underspend of £0.1m with more income of £0.2m. The cost variance needs to be viewed in the context of the budget carry forwards, for example, the £0.3m of New Homes Bonus items. Additional income received primarily relates to Recycling & Waste, Parking and Commercial & Investment properties, some of which had been forecast and reported during the year.

### *Technical / corporate items*

- 5.9 In addition to Service budgets it is necessary to review the corporate and technical items in the budget. A number of these are one off such as:-
- Saving of almost £157k from general service related items, such as the Apprenticeship Levy, Pensions Auto-Enrolment and the non-consolidated pay award where the 17/18 actual cost was less than the allowance made in the budget.
  - Income of c£75k from ad hoc Government grant
- 5.10 In respect of business rates, provisional pooling figures show we will receive £0.8m from the business rates pool and it is assumed that this will be carried forward. It has already been assumed that £0.2m of this will be used to support the 19/20 budget. The other gain shown in respect of business rates primarily relates to accounting arrangements whereby there are differences in timing of business rate income and some specific government grants. The gain in year will therefore be carried forward and held in the business rates reserve.

### *Summary and impact on future years*

- 5.11 Outturn variances are discussed with relevant service managers and the overall position is considered by Senior Management Team. One important issue is to consider the extent to which any budget variance is likely to be a recurring issue, and if so, has the 18/19 budget been adjusted to reflect this. For example, one of the largest income variances is in respect of a shortfall in planning income and the 18/19 budget was decreased in this area. Service managers are reviewing all outturn variances and any recurring issues will be reported alongside the emerging 2019/20 budget strategy.
- 5.12 The 2018/19 budget was based on the assumption that the 17/18 outturn could potentially be an overspend of £200k. The final position therefore reflects an improvement and the additional surplus will therefore be added to balances and will be considered by Cabinet.

## 6. Housing Revenue Account

- 6.1 **Appendix D** sets out the pre-audit revenue outturn for the Housing Revenue Account (HRA).
- 6.2 The outturn position is showing a net surplus of £959k compared to a budgeted deficit of £46k for the year, a favourable variance of £1,005k. However, there are carry forwards that reduce this variation to a favourable variance of £816k. The outturn variance needs to be considered in the context of the forecast outturn position at Period 9, which was predicting the outturn position would be on budget, and also the predicted underspend for 2017/18 contained within the 2018/19 HRA budget setting papers considered by the Panel at its meeting on 30 January 2018.
- 6.3 The revenue outturn position also needs to be considered alongside the outturn position for the Housing Investment Programme (Capital) shown elsewhere on the agenda. Given the slippage of capital expenditure into 2018/19, less revenue resources are required to fund the 2017/18 Housing Investment Programme (Capital), therefore the revenue underspend will be carried forward within the HRA balance and be used to fund the Housing Investment Programme in 2018/19 when the expenditure is incurred. The outturn position has arisen as a result of variances in several areas, and has been split between service and non-service elements.

### *Service Areas*

- 6.4 We received £162k more income than budgeted. This primarily reflects the net impact of less rental & service charge income being lost from dwellings and garages than assumed within the budget, through a combination of voids and the level of Right to Buy sales.
- 6.5 There was less expenditure than anticipated in a number of areas, the major ones being as follows; There was a net underspend on Premises costs, primarily due to less expenditure on responsive repairs, and gas & servicing contracts than assumed in the repairs and maintenance budget, lower utility costs, less expenditure on Council Tax on void properties, along with underspends on other CBH delegated budgets such as contract cleaning and grounds maintenance work. There was a general underspend across most Supplies and Services budgets, which was primarily due to a lower contribution to our Bad Debts Provision than budgeted, reflecting the amount of write-off's during the year and the level of rent arrears at the year-end. The HRA receives recharges from a number of services and given the outturn within these areas, there is a resultant impact upon the HRA. Carry forward requests of £189k have been approved.

### *One-Off/Technical Items*

- 6.6 Members will be aware from the 2018/19 Budget Report considered by the panel at its meeting of 30 January 2018, that as a direct result of the additional income and reduced expenditure this financial year, we have been able to use some of these additional revenue resources to make an additional £167k revenue contribution to fund the 2017/18 Housing Capital Programme. This has meant we have been able to minimise new borrowing, so that interest costs can be saved and our HRA headroom can be maximised to deliver our strategic priorities.
- 6.7 The HRA balance at 31<sup>st</sup> March 2018 is £3,905k. However, £2,305k of this balance is currently committed to future years in order to fund revenue expenditure committed to during 2017/18, together with future contributions to the Housing Investment Programme (Capital). This leaves the uncommitted HRA balance at £1,600k, which is the recommended minimum prudent level of balances. The level of balances at the year-end

is in line with the estimate used when the 30 year HRA Business Plan was agreed by Cabinet in January 2018.

- 6.8 The HRA is a “ring-fenced” account which means that any underspend or overspend in a given year must be retained within the HRA. The effect of the 2017/18 outturn position will need to be reflected within the Medium Term Financial Forecast (MTFF) for the HRA to establish the level of resources for future years. This will be reviewed as part of the forthcoming budget process for 2019/20.

## **7. Strategic Plan references**

- 7.1 The priorities within the Strategic Plan are reflected in the Budget and Medium Term Financial Forecast.

## **8. Financial implications**

- 8.1 As set out above.

## **9. Risk management implications**

- 9.1 Risk management is used throughout the budget cycle, and this is reflected in the strategic risk register. The 2017/18 revenue budget report that was approved by Council in February 2017 detailed a number of potentially significant risk areas that had been identified during the budget process. In addition, Assistant Directors identify a number of both positive and negative risk areas during the year.

## **10. Other Standard References**

- 10.1 Having considered consultation, publicity, equality, diversity and human rights, community safety, and health and safety implications, there are none that are significant to the matters in this report.

## **Background Papers**

None

**Actual Outturn Expenditure and Income by Service Area – Direct Costs only**

		<b>Actual Outturn</b>		
	<b>Area</b>	<b>Spend</b>	<b>Income</b>	<b>Net</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Corporate &amp; Democratic Core</b>		262	(712)	(450)
	<b>Total</b>	<b>262</b>	<b>(712)</b>	<b>(450)</b>
<b>Executive Management Team</b>				
	EMT	656	-	656
	<b>Total</b>	<b>656</b>	<b>-</b>	<b>656</b>
<b>Commercial Services</b>				
	Head of Commercial Services	6	-	6
	Economic Growth	1,433	(23)	1,410
	Commercial Trading	1,776	(1,617)	159
	Sport & Leisure	4,214	(4,776)	(562)
	<b>Total</b>	<b>7,429</b>	<b>(6,416)</b>	<b>1,013</b>
<b>Community Services</b>				
	Assistant Director - Communities	137	-	137
	Cultural Services	732	(117)	615
	Community Zones	5,387	(2,401)	2,986
	Community Development	1,661	(729)	932
	Colchester Museums	43	(445)	(402)
	<b>Total</b>	<b>7,960</b>	<b>(3,692)</b>	<b>4,268</b>
<b>Customer Services</b>				
	Assistant Director - Customer	135	-	135
	Customer Operations	1,751	(50)	1,701
	Professional Support Units	1,474	(45)	1,429
	Customer Demand & Research	626	(187)	439
	Customer Solutions	1,148	(659)	489
	Local Taxation & NNDR	421	(615)	(194)
	<b>Total</b>	<b>5,555</b>	<b>(1,556)</b>	<b>3,999</b>
<b>Environment Services</b>				
	Assistant Director - Environment	374	-	374
	Recycling & Fleet	6,676	(2,289)	4,387
	Car Parking	986	(3,927)	(2,941)
	Licensing & Food Safety	560	(491)	69
	Environmental Health Services	1,081	(209)	872
	Electoral Services	527	(320)	207
	Land Charges	164	(299)	(135)

		Actual Outturn		
	Area	Spend	Income	Net
		£'000	£'000	£'000
	Building Control	344	(406)	(62)
	<b>Total</b>	<b>10,712</b>	<b>(7,941)</b>	<b>2,771</b>
	<b>Policy and Corporate</b>			
	Assistant Director Policy & Corporate	202	-	202
	Finance	950	(17)	933
	ICT and Communications	2,775	(220)	2,555
	People and Performance	899	(151)	748
	Governance	2,905	(231)	2,674
	Place Strategy	1,061	(489)	572
	Planning	1,381	(1,240)	141
	Housing	2,447	(1,543)	904
	Corporate Asset Management	2,046	(191)	1,855
	Client - Commercial Company	226	-	226
	Commercial & Investment Props	233	(3,570)	(3,337)
	Garden Communities	1,548	(1,345)	203
	<b>Total</b>	<b>16,673</b>	<b>(8,997)</b>	<b>7,676</b>
	<b>Total (all)</b>	<b>49,247</b>	<b>(29,314)</b>	<b>19,933</b>



## End of Year – Subjective Analysis

<b>Account Description</b>	<b>Actual £'000</b>	<b>Budget £'000</b>	<b>Variance (fav) / adv £'000</b>
<b>By Subjective Group</b>			
Employees	26,122	25,960	162
Premises Related	7,284	7,458	(174)
Transport Related	1,960	2,012	(52)
Supplies & Services	10,849	11,159	(310)
Third Party Payments	2,734	2,665	69
Transfer Payments	279	100	179
Capital Financing Costs	21	21	-
<b>Subtotal Expenditure</b>	<b>49,249</b>	<b>49,375</b>	<b>(126)</b>
Government Grant	(2,245)	(2,244)	(1)
Other Grants & Reimbursements	(5,160)	(5,037)	(123)
Customer & Client Receipts	(21,781)	(21,654)	(127)
Income-Interest	(130)	(141)	11
<b>Subtotal Income</b>	<b>(29,316)</b>	<b>(29,076)</b>	<b>(240)</b>
<b>Total General Fund Services</b>	<b>19,933</b>	<b>20,299</b>	<b>(366)</b>

## Major Outturn Variances

Note: Underspends and additional income variances are shown in brackets.

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
<b>Executive Management Team</b>					
EMT	(3)	-	(3)		Underspend on management and consultancy costs, offsetting small overspend on employee costs due to maternity cover (0.5%)
<b>Commercial Services</b>					
Head of Commercial Services	30	-	30		£34k outturn review savings target not achieved, which was partially offset by a small saving of £4k from vacant Head of Service post.
Economic Growth	35	82	117		There was an overspend on employee costs of £21k due to the cost of additional temporary agency cover costs, which was partially offset by savings from vacant posts. £13k net overspend on Supplies & Services due to East Colchester legal fees, which were partially offset by in-year savings. Digital income was £87k (87%) less than the budget, which was partially offset by miscellaneous income in the Estates team.
Commercial - Trading	338	13	351		There was an underspend of £13k within the commercial team management. There was a net overspend on Monitoring & Response of £180k. This relates to additional costs of £48k, primarily on casual staff, and a shortfall of £215k against the target for income from customers, which was partially offset by £83k of additional income from ECC and PCT. There was a net overspend £184k on Events. This relates to additional costs of £302k, of which £37k was on employee costs including casuals, and £264k on the cost of external events including the Xmas event. The additional costs were partially offset by additional event income for the year of £119k.

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
Sport and Leisure	(59)	123	64		Employee costs were £10k overspent, mainly as a result of pension costs for casual staff. Savings were made on supplies & services and premises costs totalling £75k. There was an overall shortfall in customer income of £158k across the service. There are shortfalls of £59k (6%) Lifestyle Memberships; Dryside activities £87k; Pools £26k and Joint Use Sports Centres £30k. More income has been achieved on CLW parking £32k; catering £16k and PV income £20k which partially mitigates these shortfalls.
<b>Community</b>					
Assistant Director - Communities	1	-	1		Small overspend relating to subscriptions.
Cultural Services	(17)	5	(12)	<b>1</b>	There is a £12k underspend (2%) which is offset by less income from the Visitor Information Centre (9%). The underspend includes a carry forward request.
Community Zones	(130)	14	(116)	<b>17</b>	A number of underspends totalling £130k (2.4%) linked to premises running cost, scheduled works and supplies & services, including savings on non-essential projects totalling £16k (planting & Tree warden's scheme). These items are helping to offset some overspends on employee's costs (overtime and redundancy payments), essential tree works and Castle Park path repairs. The underspend includes a carry forward request for some NHB funded projects. Shortfall in income (0.6%) mainly in Bereavement services and bin emptying contracts.
Community Development	(30)	20	(10)	<b>18</b>	Small employee savings (1.3%) and utility savings at Lion Walk (14.3%), an underspend of £7k on locality budgets which has been requested as a carry forward, and a small underspend on grants. There was an income shortfall of £20k in Lion Walk (32.8%).

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
Colchester Museums	(23)	12	(11)	8	There was a small overspend in staffing costs which is offset by publicity costs savings. There was an underspend of £8k from Strategic plan funds which has been requested as a carry forward, and a year-end stock adjustment of £12k. £17k less income on admissions (4.1%) is offset by £5k solar panels income with no budget.
Colchester and Ipswich Museums	76	(47)	29		CIMS is a ring-fenced budget. Staff vacancies and some maternity leave have created a £54k salary saving (3.3%). There were £55k storage costs in Ipswich and other costs mainly linked to the MRC move. Retail made £24k (83.3%) more net profit than budgeted.
<b>Customers</b>					
Assistant Director - Customer	9	-	9		Overspend relates to the Personal Assistant to the Assistant Director post (6.9%).
Customer Operations	41	(15)	26		Overspend of £40k across this area with the majority relating to redundancy costs due to the implementation of the Customer Futures 2 Review (2.9%). £27k overspend on the Print and Postage budget due to a delay in the implementation of new software needed to enable this to be delivered within budget (25%). However, the majority of this overspend has been offset with underspends across supplies and services, mainly IT and telephony.
Professional Support Units	(26)	41	15	23	Underspend of £25k relates to licences for the new enterprise system (Arcus) for Environmental Services not being required until the system is fully installed, tested and implemented (31.9%). The majority of the £50k income target linked to training for third parties was not achieved (81%).

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
Customer Demand & Research	(50)	3	(47)	50	£50k will be carried forward to 18/19 to fund a temporary resource for Digital Spokes development, which will align strategies to drive digital access in local communities. £3k less income from commissioned project work with external organisations (14 %.)
Customer Solutions	(80)	(5)	(85)		The majority of the underspend relates to employee costs within Welfare Reform (£54k) and the Income Team (£11k), due to staff changes and the delay in the rollout of universal credit to Colchester. Income is £5k above budget due to recovery of 2016/17 income at the start of 2017/18 (1.5%).
Local Taxation & NNDR	(13)	(14)	(27)		Underspends on Court fees and Search fees due to reduction in Council Tax cases going to liability order stage (3%). Income above budget by 14k due to Court fees recovered (2%).
Benefits - Payments and Subsidy	(2,311)	2,006	(305)		Housing Benefit payments to claimants and the subsequent rebate from DWP subsidies were lower than the budget set for both private sector & housing tenants by a net £36k. The recovery of Housing Benefit overpayments exceeded the budget set by improved processes and collection resulting in £373k more income collected. However changes in the overall level of debt and associated bad debt provision have resulted in the net effect of a surplus of £171k. The 17/18 LA Error Incentive scheme income is £110k higher than budget.
<b>Environment</b>					
Assistant Director - Environment	13	-	13		Overspend relates to Assistant Director recruitment, which is partially offset by savings from a vacant post.

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
Recycling and Fleet	65	(109)	(44)		To support changes made to the service following the Waste Collection Strategy there was a £131k overspend on refuse supplies to meet the demand for recycling bags from residents (61%). Domestic routes were reviewed and optimised resulting in 2 Dustcarts being removed from the Fleet and a £60k saving (2%) Domestic Income Recycling Credits were £109k (9.5 %) more than the budget. Trade Waste and Special Collections also achieved more income than the budget, but these gains were offset by a £75k shortfall of Glass Sales income.
Car Parking	(44)	(89)	(133)		Underspend resulting from a one-off gain of £85k relating to the refund of NEPP off street reserves that were due to Colchester, offset by overspends of £21k on banking and income processing charges and £17k on electricity costs (4%). Additional income was achieved on PCN's (£32k), season tickets/permits (£31k) and pay and display income (£26k). (2%)
Licensing and Food Safety	15	(10)	5		£12k Supplies and Services overspend (25%) is partially offset by more Licence income from the Food and Safety team (2%)
Environmental Health Services	37	11	48		An £11k employee overspend reflects the difference between external funding received and the cost of a fixed term Public Health Coordinator Post. (26.94 %). Private Sector Housing overspent £9k on Consultancy Fees and £11k on Legal Fees, however the cost of Legal Fees are potentially recoverable subject to the outcome of the appeal case. Both Private Sector Housing and Animal Control had a shortfall of income (10.5 %).
Electoral Services	(14)	(4)	(18)		Underspend across supplies and services, including registration postage (10.7%) offsetting overspend on casual staff due to a change in how registration cards are delivered (9%). More income mainly on copies of marked register (73%).

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
Land Charges	24	20	44		Following the implementation of new software within Land Charges a temporary additional resource was required to assist with the transition and data cleansing to future proof the service and enable future self-serve provision (27%). Search Fees income was £20k (6 %) less than the budget.
Building Control	(42)	(21)	(63)		£46k underspend on Employees due to vacancies in year (13.8%) and £20k income above budget (5 %).
Parking Partnership	185	(148)	37		Both the NEPP on-street and off-street accounts were in surplus at the end of 2017/18. These balances remain ring-fenced within the NEPP accounts.
<b>Policy &amp; Corporate (incl. CDC)</b>					
Corporate & Democratic Core	(42)	88	46		Underspends on banking transactions and financial audit (20.5%). Less income from council tax sharing agreement (11%).
Assistant Director Policy & Corp	34	-	34		Unbudgeted spend of £13k on recruitment, £7k for IIP re-accreditation and £4k relating to the Planning and Housing Review (100%).
Finance	65	-	65		Overspend relating to extra systems support post covering staff absence – now resolved to prevent overspend in 2018/19 and not having had sufficient vacant posts this year to achieve the budget target for vacancies (7.8%). £5k unbudgeted spend relating to new borrowing (100%).
ICT and Communications	(351)	(30)	(381)	<b>332</b>	Underspend of £271k on Technology 2018 budget (Year 2 of a 3 year rolling programme) and temporary tourism budget in Communications of £61k, both of which have been requested as a carry forward. Underspend across ICT employee costs due to vacant posts (3.7%), across IT spend (6.5%), offsetting overspend on broadband (81.4%), marketing costs (13%) and maternity costs of £10k (100%).

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
					Unbudgeted income of £13.7k for roundabout advertising received (100%) and more income than budget from CBH for ICT (14%).
People & Performance	(15)	(5)	(20)	<b>15</b>	General underspends across all areas including £6k on payroll software due to previous years carry forward, £15k has been requested as a carry forward to cover consultancy days for payroll system, £3k underspend on central training (10%), overspend of £3.5k on staff travel plan costs (17%). More income mainly from staff car parking (10%).
Governance	(10)	32	22	<b>25</b>	Underspends across supplies and services, including £28k members allowance (5.4%), insurance costs (1.2%), audit contract (9.7%) and Civic - £25k budget in relation to the 1918 Commemoration Task & Finish Group has been requested as a carry forward. Overspend across salaries due to maternity cover and not having had sufficient vacant posts in year to achieve the budget target for vacancies (4.8%), committee meeting printing costs (37%), and postage costs (25.5%). Net pressure of £25k relating to lower procurement hub rebates (26.9%) and less income from CBH due to reduced postage spend (35%).
Place Strategy	(137)	10	(127)	<b>121</b>	Underspend across salaries due to vacant posts and training (1.2%), and across supplies and services which are mainly due to the following carry forward requests; £42.1k affordable housing, £41.6k LDF, £15k CIL and £22.4k across 4 transportation policy projects which are on-going/long term projects.
Planning	(36)	149	113	<b>50</b>	Overspend on employee costs (1.1%) and appeal costs (100%). Underspends on back-scanning project and heritage projects have been requested as a carry forward (the scanning project has been delayed because Arcus has been the priority). Less income received than the budget (10.7%).



Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
Housing	96	(223)	(127)	<b>100</b>	£102k net underspend on B&B/homelessness initiatives of which £100k has been requested as a carry forward. £38k more income from Homeless Persons Unit than assumed in the budget (68%).
Corporate Asset Management	59	(101)	(42)		Underspends mainly on street lighting electricity costs and repairs (64.4%) and Town Hall car park NNDR (64%). Overspend on corporate repairs and maintenance (8.5%) and radio conference system (100%) at the Town Hall. A grant was received from ECC for engineering works of £26k, which was offset by matching expenditure. A saving was made on CBH Management Fee for the Engineering team of £47k. One-off income for Town Hall Car Park (75%).
Commercial & Investment Properties	(18)	(112)	(130)		Commercial properties had savings of £15k on Business Rates and service charges for Lion Walk of £25k, which were offset by cost pressures on security of £11k and cesspool issues of £10k in North Colchester. Increased rental income in year from Colchester Business Park £58k (30%); Amphora Place £35k (80%); Charter Court £22k (37%); Plot 33 £17k (41%); Former Garrison Gym £13k (100%); NCP Osborne St £12k and other smaller property surpluses totalling £73k. We received additional one-off income relating to land in Elmstead £25k and £70k related to housing wayleaves. There were income shortfalls on North Colchester Leisure site of £100k (100%); Culver Centre of £47k (9.4%) and Lion Walk £25k.
CBC planning resource (garden communities)	(43)	-	(43)	<b>43</b>	Balance of unspent budget has been requested as a carry forward.

Current Period – March 2018			
End Of Year 2017/18			
	Actual	Budget	Variance
Account Description	for Year	for Year	(under) /
	£'000	£'000	over
			£'000
<b>HRA - Direct &amp; Non-Direct</b>			
<b>EXPENDITURE</b>			
Employees	106	110	(4)
Premises Related	6,092	6,631	(539)
Transport Related	1	0	1
Supplies & Services	371	822	(451)
Third Party Payments	3,540	3,503	37
Transfer Payments	91	168	(77)
Support Services	4,321	4,354	(33)
Capital Financing Costs	(4,271)	(4,494)	223
<b>TOTAL EXPENDITURE</b>	<b>10,251</b>	<b>11,094</b>	<b>(843)</b>
<b>INCOME</b>			
Other Grants & Reimbursements	(192)	(178)	(14)
Customer & Client Receipts	(29,705)	(29,561)	(144)
Income-Interest	(51)	(32)	(19)
Inter Account Transfers	18,738	18,723	15
<b>TOTAL INCOME</b>	<b>(11,210)</b>	<b>(11,048)</b>	<b>(162)</b>
<b>TOTAL NET - HRA</b>	<b>(959)</b>	<b>46</b>	<b>(1,005)</b>
<i>Technical Items:-</i>			
Carry Forwards		(189)	189
<b>OVERALL - POSITION</b>	<b>(959)</b>	<b>(143)</b>	<b>(816)</b>