

6 March 2018

<b>Report of</b>	<b>Assistant Director Policy and Corporate</b>	<b>Author</b>	<b>Darren Brown</b> ☎ 282891
<b>Title</b>	<b>Financial Monitoring Report – April to December 2017</b>		
<b>Wards affected</b>	Not applicable		

## 1. Executive Summary

1.1 This report gives the Panel the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets. The financial position is summarised as follows:-

- The General Fund is showing a net overspend against services of £59k as at period 9. This includes a net underspend on expenditure of £115k and less income of £174k.
- The current forecast outturn position for the General Fund is a net overspend of £44k.
- The Housing Revenue Account is showing a net underspend of £656k as at period 9, and is forecast to be on budget at the year-end.

1.2 Assistant Directors and their budget holders have undertaken a thorough review of the financial position for their services, which is reflected in this report. In addition, SMT continues to monitor the budget position on a monthly basis. The final end of year position will be reported for scrutiny purposes and the impact of this on balances will be considered by Cabinet as part of the budget strategy for 2019/20.

## 2. Action required

2.1 The Committee is asked to consider the financial performance of General Fund Services and the Housing Revenue Account (HRA) for the first nine months of 2017/18, and to note the forecast budget overspend of £44k on the General Fund.

## 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

- 4.1 This report reviews the Council's overall position based on profiled income and expenditure for the nine months to 31 December 2017, and also shows a projection of the outturn figures for the full year. 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.

### Summary Position

- 4.2 The projected outturn for the General Fund is currently a net overspend of £44k. The Housing Revenue Account forecast outturn position is currently to be on budget.
- 4.3 The General Fund position is set out in more detail in the following paragraphs and the HRA position explained in paragraphs 4.17 to 4.20. Budgets carried forward from 16/17 are now included in the schedules within this report, and as such will be monitored as part of the overall position.

### General Fund – Position to 31 December 2017

#### *Service Budgets*

- 4.4 Appendix A shows the current budget variances and forecast outturn variances by Service Group. The net position shows a variance against profiled budget for General Fund Services (excluding Benefits, NEPP & JMC) of £59k (adverse). This comprises total expenditure being £115k lower than expected and total income being £174k lower than expected. Appendix B breaks these variances down by subjective group.
- 4.5 The net position to date is broadly in-line with the net forecast outturn position. There are changes expected to expenditure and income variances between period 9 and the year-end, and this reflects a number of factors such as:
- Income either decreasing, or not continuing at the level to date for the remainder of the financial year.
  - The profiling of budgets and the impact of changes in spending and income patterns.
  - Areas where adjustments will take place as part of the closure of accounts (for example where income has been received in the current year but relates to the next financial year).
  - Budgets currently unspent for which a carry forward at year-end may be identified

#### *Income*

- 4.6 As reported at Quarter 2 to Scrutiny Panel, income to the Council is below targets in a number of areas to date, but most notably in Sport & Leisure, Community Alarms and Planning, although it should be noted that some of the shortfalls are small in monetary terms. We have however achieved more income in Events, Building Control, Parking, Bereavement and Trade Waste. As one of our main risk areas, income will continue to be closely monitored by officers on a monthly basis.

#### *Expenditure*

- 4.7 There are underspends against profiled budgets in a number of services areas, predominantly within third party payments, premises and transport costs. This can be as a result of profiling of budgets as well as timing of expenditure.
- 4.8 Benefits payments are not shown in Appendix A & B to avoid distorting the reported position for Service Groups. It is currently projected that this area will be underspent by £150k at year end, when the final subsidy claim is paid. Furthermore, NEPP and JMC variances are not included in the Appendix A & B totals, given these areas are ring-fenced and are reported to the relevant joint committee.

## Outturn Forecast / Risk Areas

- 4.9 This is the third review this year of the 2017/18 budget position, and the current forecast outturn is a net overspend of £44k.

	£'000	
Service budgets	537	See paras. 4.9 – 4.11 and Appendix C
Technical / Corporate Items	(493)	See para 4.12 and Appendix D
<b>Potential net overspend</b>	<b>44</b>	

### Service Budgets

- 4.10 The following table sets out the forecast outturn for all service areas, with outturn variances. This shows a net forecast overspend of £537k. As the table shows, this is mainly due to an overall shortfall in income of £359k. The largest areas contributing to this income shortfall are; Policy & Corporate (Planning income) and Commercial (Helpline and Digital Broadband income). In addition, there is an overspend of £178k forecast, with the main areas being Policy & Corporate (across a number of areas) and Commercial (Helpline and Events), although there are underspends being forecast within Community, Customers and Environment which are partially offsetting these.

Service	Forecast outturn		
	Expenditure	Income	Net
	£'000	£'000	£'000
Policy & Corporate (incl. CDC)	221	109	330
EMT	5	-	5
Commercial	132	205	337
Community	(55)	39	(16)
Customers	(70)	61	(9)
Environment	(55)	(55)	(110)
<b>Total all services</b>	<b>178</b>	<b>359</b>	<b>537</b>

- 4.11 Appendix C sets out details of all forecast variances against service budgets at the year-end totalling £537k. To provide some context on the scale of the variances shown in Appendix C, a percentage value has been included within the comments which shows the proportion of the relevant budget that it represents. For example, an underspend due to vacant posts or the vacancy factor would be expressed as a proportion of the total employees budget for that area.

### Corporate / Technical Items

- 4.12 The budget includes a number of corporate and technical budget areas such as net interest earnings, the provision to repay debt, pension costs and some non-service specific grants. Appendix D sets out further details of the forecast outturn for corporate and technical items.

### Summary position and action proposed

- 4.13 The forecast outturn shows a potential net overspend of £44k. There are a number of factors which are contributing to this position, with the main ones being:-
- Less income due to economic factors, e.g. planning
  - Less income caused by external delays
  - Less income in some trading areas
  - More expenditure in trading areas
  - Gains from technical budgets such as Business Rates Revaluation Tariff and Council Tax Sharing Agreement
  - Increased income from the recovery of housing benefit overpayments

- 4.14 The impact of budget reviews should be viewed alongside the forecast outturn for the year. Outturn reviews in previous years have been undertaken to ensure that budgets reflect best estimates and do not contain “contingencies”. This does mean that services have less scope to absorb unforeseen budget pressures and any requests for new spending that may arise in-year.
- 4.15 The financial position for 2017/18 was considered as part of the proposals set out in the 2018/19 budget and it was reported that for the purpose of assessing any impact on balances the outturn position was assumed to be an overspend of £200k. The updated forecast position is therefore lower than this assumption, however, there remain a number of risks to the forecast in particular in respect of planning income, commercial trading targets and corporate technical budgets such as those relating to benefits and business rates. In summary, it remains appropriate to assume that the final outturn position could differ to the forecast shown but that this is still expected to be within the budget assumption.
- 4.16 Assistant Directors and their budget holders have undertaken a thorough review of the financial position for their services, which is reflected in this report. In addition, SMT continues to monitor the budget position on a monthly basis. The final end of year position will be reported for scrutiny purposes and the impact of this on balances will be considered by Cabinet as part of the budget strategy for 2019/20.

### **Housing Revenue Account**

- 4.17 The Housing Revenue Account (HRA) is a ring-fenced account which is affected by a number of variable factors. At the end of December 2017, the HRA is showing a net underspend of £656k compared to the profiled budget for the same period. This is primarily due to lower expenditure on Premises costs of £256k, and £293k more income than budgeted.

#### *Position to date*

- 4.18 Premises related costs are showing an underspend of £256k as at the end of December 2017. Overall, there is a net underspend of £70k on Repairs and Maintenance, which primarily relates to the timing of expenditure on repairs and maintenance of pumping stations, Homeless Persons Units and other delegated areas. There are further underspends of £85k on Grounds Maintenance budgets, £36k on Utility and Water costs and £32k on Cleaning Contract costs which relate to the timing of expenditure.
- 4.19 We have received £293k more income at the end of December 2017. 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.

#### *Forecast Outturn*

- 4.20 The HRA forecast outturn is to be on budget. Any underspend that occurs in the year will be used to fund a greater proportion of our Housing Capital Programme through an increased Revenue Contribution to Capital, thus minimising new borrowing and maximising our available headroom.

## **5. Standard References**

- 5.1 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.

## **6. Strategic Plan references**

- 6.1. The priorities within the Strategic Plan are reflected in the Medium Term Financial Forecast. This makes assumptions regarding government grant and Council Tax income, and identifies where necessary savings will be found in order to achieve a balanced budget. The 2017/18 revenue budget was prepared in accordance with the Strategic Plan's priorities, in the context of the Council facing growing financial pressures. Budget monitoring enables the financial performance against these priorities to be assessed.

## **7. Financial implications**

- 7.1. As set out above.

## **8. Risk management implications**

- 8.1. 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, Heads of Service identify a number of both positive and negative risk areas during the year.

## **Background Papers**

None

**Period 9 – Current Budget Variances and Forecast Outturn Variances by Service Area**

		Position to date			Forecast Outturn		
	Area	Spend	Income	Net	Spend	Income	Net
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Corporate &amp; Democratic Core</b>		(38)	-	(38)	9	-	9
	<b>Total</b>	<b>(38)</b>	<b>-</b>	<b>(38)</b>	<b>9</b>	<b>-</b>	<b>9</b>
<b>Executive Management Team</b>							
	EMT	(8)	-	(8)	5	-	5
	<b>Total</b>	<b>(8)</b>	<b>-</b>	<b>(8)</b>	<b>5</b>	<b>-</b>	<b>5</b>
<b>Commercial</b>							
	Assistant Director	22	-	22	-	-	-
	Economic Growth	58	63	121	-	54	54
	Commercial - Trading	167	33	200	134	131	265
	Sport & Leisure	(21)	156	135	(2)	20	18
	<b>Total</b>	<b>226</b>	<b>252</b>	<b>478</b>	<b>132</b>	<b>205</b>	<b>337</b>
<b>Community</b>							
	Assistant Director	-	-	-	-	-	-
	Cultural Services	(6)	6	-	(12)	12	-
	Community Zones	(12)	(12)	(24)	(24)	(7)	(31)
	Community Development	(72)	20	(52)	(18)	14	(4)
	Colchester Museums	(4)	24	20	(1)	20	19
	<b>Subtotal</b>	<b>(94)</b>	<b>38</b>	<b>(56)</b>	<b>(55)</b>	<b>39</b>	<b>(16)</b>
	Colchester & Ipswich Museums	16	(40)	(24)	99	(23)	76
	<b>Total</b>	<b>(78)</b>	<b>(2)</b>	<b>(80)</b>	<b>44</b>	<b>16</b>	<b>60</b>
<b>Customer</b>							
	Assistant Director	6	-	6	8	-	8
	Customer Operations	(32)	-	(32)	26	-	26
	Professional Support Units	(49)	33	(16)	(29)	41	12
	Customer Demand & Research	1	4	5	8	5	13
	Customer Solutions	(37)	77	40	(88)	15	(73)
	Local Taxation & NNDR	(13)	21	8	5	-	5
	<b>Subtotal</b>	<b>(124)</b>	<b>135</b>	<b>11</b>	<b>(70)</b>	<b>61</b>	<b>(9)</b>
	Benefits - Payments & Subsidy	(1,700)	4,418	2,718	-	(150)	(150)
	<b>Total</b>	<b>(1,824)</b>	<b>4,553</b>	<b>2,729</b>	<b>(70)</b>	<b>(89)</b>	<b>(159)</b>

		Position to date			Forecast Outturn		
	Area	Spend	Income	Net	Spend	Income	Net
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Environment</b>							
	Assistant Director	16	-	16	12	-	12
	Recycling & Fleet	(171)	(85)	(256)	11	(40)	(29)
	Car Parking	(88)	(51)	(139)	(76)	(25)	(101)
	Licensing & Food Safety	9	(11)	(2)	2	(7)	(5)
	Environmental Health Services	14	15	29	27	8	35
	Electoral Services	80	(41)	39	-	-	-
	Land Charges	-	21	21	17	9	26
	Building Control	(45)	(26)	(71)	(48)	-	(48)
	<b>Subtotal</b>	<b>(185)</b>	<b>(178)</b>	<b>(363)</b>	<b>(55)</b>	<b>(55)</b>	<b>(110)</b>
	Parking Partnership (NEPP)	217	(70)	147	82	(251)	(169)
	<b>Total</b>	<b>32</b>	<b>(248)</b>	<b>(216)</b>	<b>27</b>	<b>(306)</b>	<b>(279)</b>
<b>Policy &amp; Corporate</b>							
	Assistant Director	11	-	11	15	-	15
	Finance	46	-	46	61	-	61
	ICT and Communications	(97)	(13)	(110)	(6)	(12)	(18)
	People and Performance	(8)	(2)	(10)	1	4	5
	Governance	28	(4)	24	64	(3)	61
	Place Strategy	57	(69)	(12)	9	-	9
	Planning	(24)	182	158	11	150	161
	Housing	43	(113)	(70)	4	(25)	(21)
	Corporate Asset Management	19	(25)	(6)	30	(11)	19
	Commercial & Investment Properties	(6)	(29)	(35)	23	6	29
	Garden Communities	39	-	39	-	-	-
	<b>Total</b>	<b>108</b>	<b>(73)</b>	<b>35</b>	<b>212</b>	<b>109</b>	<b>321</b>
	<b>Total (excl. Benefits, NEPP &amp; JMC)</b>	<b>(115)</b>	<b>174</b>	<b>59</b>	<b>178</b>	<b>359</b>	<b>537</b>
	<b>Total (all)</b>	<b>(1,582)</b>	<b>4,482</b>	<b>2,900</b>	<b>359</b>	<b>(65)</b>	<b>294</b>

**Current Budget Variances and Forecast Outturn Variances by Subjective Group**

		Position to date			Forecast Outturn		
		Actual	Budget	Variance	Actual	Budget	Variance
	Subjective	£'000	£'000	£'000	£'000	£'000	£'000
	<b>Expenditure</b>						
	Employees	19,731	19,491	240	25,774	25,772	2
	Premises Related	5,584	5,657	(73)	7,265	7,214	51
	Transport Related	1,885	1,964	(79)	2,910	2,912	(2)
	Supplies & Services	7,719	7,748	(29)	11,065	10,884	181
	Third Party Payments	1,639	1,916	(277)	2,485	2,539	(54)
	Transfer Payments	203	100	103	100	100	0
	Capital Financing Costs	0	0	0	110	110	0
	<b>Total</b>	<b>36,761</b>	<b>36,876</b>	<b>(115)</b>	<b>49,709</b>	<b>49,531</b>	<b>178</b>
	<b>Income</b>						
	Government Grant	(1,382)	(1,407)	25	(1,624)	(1,606)	(18)
	Other Grants & Reimbursements	(2,637)	(2,603)	(34)	(3,481)	(3,449)	(32)
	Customer & Client Receipts	(16,555)	(16,730)	175	(21,037)	(21,436)	399
	Income-Interest	(90)	(98)	8	(121)	(131)	10
	Inter Account Transfers	0	0	0	0	0	0
	<b>Total</b>	<b>(20,664)</b>	<b>(20,838)</b>	<b>174</b>	<b>(26,263)</b>	<b>(26,622)</b>	<b>359</b>
	<b>Net</b>	<b>16,097</b>	<b>16,038</b>	<b>59</b>	<b>23,446</b>	<b>22,909</b>	<b>537</b>



**Forecast Outturn Variances**

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Executive Management Team				
EMT	5	-	5	Overspend forecast on employee costs due to maternity cover (0.5%)
Commercial Services				
Economic Growth	-	54	54	Costs are forecast to be on budget overall although this includes savings from vacant posts, offset by additional temporary agency cover costs. Digital income is forecast to be £80k (80%) below target by year end, which has been partly offset by grant income in relation to Housing Development work.
Commercial - Trading	134	131	265	Commercial management employee savings forecast of £18k (16%). Monitoring & Response services are forecasting a £44k overspend on costs, mainly on employees (10%). The service is also forecasting a shortfall in Helpline income of £147k (13%) by year end. Events team forecasting to be £91k overspent by year-end, of which £25k is on casual staff and £82k on external event costs, including Christmas events. This overspend is offset by a £16k surplus of income. Savings and income generation activities have been put in place to prevent any further increase in the forecast overspend.
Sport and Leisure	(2)	20	18	Employee costs are forecast to be on budget, but savings on supplies costs have been made to help offset the forecast overspend on utilities. An overall income shortfall of £20k is currently predicted across the service which includes a £75k (7%) shortfall related to Lifestyle Memberships. To mitigate this shortfall, new membership packages have been introduced, increased marketing activity around Activia Gym and Aqua Springs and a number of new

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
				income streams have been identified as well as surpluses from some areas including pools and parking.
<b>Community Services</b>				
Cultural Services	(12)	12	-	There is a £12k underspend forecast (2%) which is offset by less income from the Visitor Information Centre (9%).
Community Zones	(24)	(7)	(31)	A number of underspends totalling £73k (linked to maintenance, scheduled works and salaries) are helping to offset overspends of £37k (on essential tree works and Castle Path Park repairs). Savings on non-essential projects totalling £16k have been agreed (planting & Tree warden's scheme). Small amount of additional income being forecast (0.4%).
Community Development	(18)	14	(4)	Small utility saving at Lion Walk (14.3%) is offset by shortfall in Lion Walk income (24%). £20k underspend forecast on Locality budgets (18%) and £3k on enabling funds (50%).
Colchester Museums	(1)	20	19	Small overspend in staffing costs offset by publicity costs saving. £20k less income on admissions (4.8%).
Colchester and Ipswich Museums	99	(23)	76	CIMS is a ring-fenced budget. Staff vacancies and some maternity leave have created a £60k salary savings (3.2%). There is a £55k storage cost pressure in Ipswich and a £92k overspend on Supplies & Services (32%). A net overspend of £11k is linked to the MRC move. Retail is forecasting £17.5k more net profit (7%).
<b>Customer Services</b>				
Assistant Director - Customer	8	-	8	Overspend relates to the Personal Assistant to the Assistant Director post (6%).
Customer Operations	26	-	26	Forecast overspend of £32k on the Print and Postage budget. This area of spend has not reduced due to a delay in the implementation of new software needed to enable this (31%). Underspend on employee costs within Benefits Processing (£20k) due to vacant posts. (3.9%)

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
				Overspend of £15k on Call Centre employee costs due to extra resource taken on to cover secondments. The staff on secondment returned to the call centre earlier than planned. (2.9%).
Professional Support Units	(29)	41	12	The forecast underspend relates to licences for the new enterprise system (Arcus) for Environmental Services not being required until the system is fully installed, tested and implemented. (26.19%) The majority of the £50k income target linked to training for third parties will not be achieved (82.65%)
Customer Demand & Research	8	5	13	£2k overspend relates to website development (30.91%) and allowances have been made in 18/19 to reflect ongoing costs. There are other small overspends across this area. £5k less income from commissioned project work with external organisations (20%).
Customer Solutions	(88)	15	(73)	The majority of the underspend relates to employee costs within Welfare Reform (£53k), MacMillan (£30k) and the Income Team (£8k) due to staff changes, vacancies not recruited to and secondments from this area at Manager level. Income is forecast to be £15k less due to less costs to claim from MacMillan. (4.3%)
Local Taxation & NNDR	5	-	5	Across the teams there is an £8k overspend on employee costs (2%), which is partially offset by an underspend on court fees due to reduction in Council Tax cases going to liability order stage.
<b>Environmental Services</b>				
Assistant Director - Environment	12	-	12	Overspend relates to Assistant Director recruitment. Any further vacancies in year within the service will contribute towards offsetting this overspend.
Recycling and Fleet	11	(40)	(29)	A £20k overspend is forecast on Trade tipping costs (9.75%) which is partially offset by a £9k underspend on Transport Related expenses. Recycling Credits are forecast to be £130k more than the budget (11.3%), which is mainly offset by a shortfall of £90k Glass income. (81.8%)

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Car Parking	(76)	(25)	(101)	An underspend resulting from a one-off gain of £85k relates to the refund of NEPP off street reserves that were due to Colchester. Also small overspends forecast on NNDR, repairs, maintenance and security (1%). Income is forecast to be £25k (0.6%) more than the budget based on the income received to date.
Licensing and Food Safety	2	(7)	(5)	£7k more Licencing income is forecast by year end (1.47%) which is slightly offset by transport related expenses.
Environmental Health Services	27	8	35	An £11k employee overspend reflects the difference between external funding received and the cost of a fixed term Public Health Coordinator Post. (26.94%) A £9k overspend is forecast on Private Sector Housing Legal Fees, these costs were unbudgeted but are recoverable subject to the outcome of the appeal case.
Land Charges	17	9	26	Following the implementation of new software within Land Charges a temporary additional resource has been required to assist with the transition and data cleansing to future proof the service and enable future self-serve provision. (24.73%) Search Fees income forecast a £11k shortfall by year end. (3.45%)
Building Control	(48)	-	(48)	Building Control forecast a £53k saving on employees due to vacancies (15.94%)
Parking Partnership	82	(251)	(169)	The North Essex Parking Partnership have implemented a new structure to find the savings required from the review of the Essex parking partnerships.
<b>Policy &amp; Corporate (incl. CDC)</b>				
Corporate & Democratic Core	9	-	9	Forecast overspend on internet banking charges slightly offsetting an underspend on banking transaction charges. (3%)
Assistant Director Policy & Corp	15	-	15	Unbudgeted spend of £7k for IIP re-accreditation and £4k relating to the Planning and Housing Review (which will deliver savings in 18-19). (100%). Furthermore, there are overspends in several areas of Policy and Corporate due to the late achievement of a savings target (achieved for the 18-19 budget).

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Finance	61	-	61	Forecast 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 yet this year to achieve the budget target for vacancies. (7.8%) There is £5k unbudgeted spend relating to new borrowing. (100%).
ICT and Communications	(6)	(12)	(18)	Forecast underspend across ICT employee costs due to vacant posts (3.3%) offsetting overspend on broadband (84%), marketing costs (5.7%), maternity costs of £10k (100%). Unbudgeted income of £11k for roundabout advertising received (100%).
People & Performance	1	4	5	Small forecast overspend across all spend (0.1%). Less income from CBH SLA (27.5%)
Governance	64	(3)	61	Overspend across salaries due to maternity cover and not having had sufficient vacant posts yet this year to achieve the budget target for vacancies. (4.6%). Net pressure of £25k relating to lower procurement hub rebates than budgeted. (26.9%) More legal income than budget (7.4%).
Place Strategy	9	-	9	Whole service in year saving targets not fully found (50%).
Planning	11	150	161	Overspend forecast on employee costs (1.1%). Less income forecast, this budget was increased for this year (11.9%).
Housing	4	(25)	(21)	Forecast overspend relates to not having had sufficient vacant posts yet this year to achieve the budget target for vacancies (2%). More income from Homeless Persons Unit than assumed in the budget (45%).
Corporate Asset Management	30	(11)	19	Overspend on the Rowan House service charge due to costs of £23k relating to the previous financial year being payable (16.3%). Overspend on Town Hall electricity (16%) and radio conference system (100%). One-off income for Town Hall Car Park (75%).

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Commercial & Investment Properties	23	6	29	<p>Commercial properties have forecast cost pressures on unplanned security of £10k and ongoing cesspool issues of £6k in North Colchester, as well as extra legal costs of £7k.</p> <p>Income shortfalls forecast on North Colchester Leisure site of £100k (100%) and Culver Centre of £65k (13.6%). These are mostly offset by some new rental income including Amphora Place £33k (80%) and an additional £70k related to housing wayleaves</p>

**Corporate / Technical Items**

The following table sets out a further explanation of the technical items included in the table at paragraph 4.8 above:

	<b>Period 9 Forecast Outturn Variance £000's</b>	<b>Commentary</b>
Business Rate Revaluation Tariff Adjustment	(200)	The 2017 revaluation was designed to have a neutral effect on the Councils retained income. However, there were some late changes to rateable values in March which were not accounted for in the Government's baseline figures. We are expecting changes to be made to account for this, however, it is not clear if this will occur in 17/18. We can still deliver this saving to the budget through use of business rates reserve if necessary.
Council Tax Sharing Agreement	(75)	Some money has been built up to off-set the risk of the agreement coming to an end. Some of this is being used to offset the in-year position.
Extra in-year Govt Grants	(40)	We receive a number of grants from the Government (e.g. Department for Work and Pensions) for new burdens etc. Whilst some funding will be required to be used, it is considered that some can be offered as a saving this financial year.
Housing Benefit Overpayments Recovery	(150)	The budget includes an amount for the recovery of housing benefit overpayments, which is where claimants have been overpaid and we recover the money. Additional staff time has been allocated to this area, therefore we are forecasting more income to be recovered than estimated in the budget.
Business Rates Revaluation	(13)	An allowance was made for the estimated impact of the revaluation of Business Rates on CBC properties. The actual cost is less than the budget, therefore this underspend is now included in the forecast.
Pensions Auto-Enrolment	(50)	An allowance was made for the potential recurring costs of increased pension costs as a result of auto-enrolment. The number of staff deciding to join the pension scheme has been lower than expected and therefore any costs in year have simply been reflected in existing budgets.
Local Authority Carbon Management (LACM) Saving	20	A balance on the saving target currently exists.
Procurement Saving	15	A balance on the saving target currently exists.
<b>Total</b>	<b>(493)</b>	

December 2017  Account Description	Current Period - December 2017			Forecast Year-End Position		
	Profiled Budget to Period 9 £'000	Actual to Period 9 £'000	Variance (under) / over £'000	Annual Budget £'000	Projected Outturn £'000	Variance (under) / over £'000
<b>HRA - Direct &amp; Non-Direct</b>						
<b>EXPENDITURE</b>						
Employees	81	78	(3)	109	109	-
Premises Related	5,090	4,834	(256)	6,631	6,483	(148)
Transport Related	-	1	1			
Supplies & Services	571	520	(51)	822	822	-
Third Party Payments	2,911	2,895	(16)	3,503	3,503	-
Transfer Payments	110	72	(38)	168	168	-
Support Services	3,242	3,242	-	4,354	4,354	-
Capital Financing Costs	(896)	(896)	-	13,411	13,809	398
<b>TOTAL EXPENDITURE</b>	<b>11,109</b>	<b>10,746</b>	<b>(363)</b>	<b>28,998</b>	<b>29,248</b>	<b>250</b>
<b>INCOME</b>						
Other Grants & Reimbursements	(23)	(23)	-	(178)	(178)	-
Customer & Client Receipts	(22,521)	(22,815)	(294)	(29,561)	(29,811)	(250)
Income-Interest	(24)	(23)	1	(32)	(32)	-
Inter Account Transfers	896	896	-	818	818	-
<b>TOTAL INCOME</b>	<b>(21,672)</b>	<b>(21,965)</b>	<b>(293)</b>	<b>(28,953)</b>	<b>(29,203)</b>	<b>(250)</b>
<b>TOTAL NET - HRA</b>	<b>(10,563)</b>	<b>(11,219)</b>	<b>(656)</b>	<b>45</b>	<b>45</b>	<b>-</b>