

Budget Monitor

Q1 2017/18



**BOROUGH OF
BROXBOURNE**
2017: Year of the Environment



General Fund Monitor Quarter One 2017/18

Introduction

This monitor summarises the Council's year end financial forecast as at the end of the first quarter of the year (April to June 2017/18) compared to the approved revised budget and provides explanations for significant variances.

The Council's forecast cost of services is currently £9.7 million compared to a budget of £10.1 million which results in a favourable variance of £0.4 million. The main reasons for this are the near 100% occupancy of the Council's Commercial Property portfolio, resulting in additional income of £206k being received, above expectation take up of the green waste scheme resulting in an additional £287k income offset by additional temporary accommodation costs. This variance also includes sales of chambers in the Council's second community mausoleum at Cheshunt cemetery of £135k (which will be used to fund capital expenditure), when this one off income is excluded the favourable variance is £0.3 million.

Areas of income and expenditure which, if not achieved, could have a major effect on the achievement of the budget are shown below in table 1. Other major variances (those over £20k from budget) are set out in table 2 and appendix 1 shows a complete listing of all variances by service area.

Risks to the budget

The following areas are seen as a risk of the Council achieving its budget:

Table 1

Risk Area	Revised Budget £000	Forecast £000	Variance adv/(fav) £000
Commercial property rental income Any loss in income from the Council's commercial property could have a significant adverse effect. There is currently 1 empty property.	(2,855)	(3,099)	(244)
Bed and breakfast net cost The budget assumed 75 households in nightly paid accommodation. At the end of June the number of households was 112, an increase of 37.	292	335	43
Hostels, net income The budget assumed 95 rooms would be available, a new hostel has been leased which provides an additional 24 rooms. Of the 119 Council owned rooms available 5 are vacant.	(156)	(102)	53

Risk Area	Revised Budget £000	Forecast £000	Variance adv/(fav) £000
<p>Waste and Recycling, net direct cost Some of the income from the sale of recyclable materials are dependent on market forces/prices where fixed price contracts are not in place. Income from residual waste credits (AFM) is forecast to be £130k lower than budget as the expected reduction in household waste produced has not decreased in line with expectations. This has been offset by additional income of £287k as a result of higher than expected take-up of the green waste scheme.</p>	739	592	(147)

Major variances by service area

Table 2

Service Area	Revised Budget £000	Forecast £000	Variance adv/(fav) £000
<p>Communications and Community Liaison The MORI survey will not be carried out.</p>	0	(48)	(48)
<p>Infrastructure, Regeneration and Special Projects Salary savings as a result of a vacant post that is not going to be filled.</p>	582	546	(36)
<p>Recycling Above budget income generated from the green waste charging scheme of £287k as a result of 16,413 participants in the scheme compared to the 10,642 anticipated in the budget. This is partially offset by an anticipated reduction in AFM income receivable from Hertfordshire County Council of £130k as the expected reduction residual household waste has not happened.</p>	951	790	(161)
<p>Cemeteries Unbudgeted sales of mausoleum chambers of £135k are partially offset by a reduction in burial fee income at Cheshunt cemetery of £40k and Hoddesdon cemetery of £5k.</p>	(27)	(117)	(90)
<p>Financial Services Additional pension costs.</p>	700	739	39
<p>Temporary Accommodation Net bed and breakfast costs are currently forecast to be £43k above budget, the budget assumed 75 households and at the end of June the number of households was 112, an increase of 37. Net hostel rental costs are currently £53k above budget due to unoccupied rooms that have been difficult to utilise because of the size of households needing accommodation. There are currently 119 council owned rooms available of which 5 are vacant.</p>	324	420	96

Service Area	Revised Budget £000	Forecast £000	Variance adv/(fav) £000
Commercial Property	(2,855)	(3,074)	(219)
Additional income of £206k and utility savings of £13k.			

Collection Fund

The Council collects council tax on behalf of Hertfordshire County Council and the Police and Crime Commissioner as well as on its own behalf and non domestic rates on behalf of Hertfordshire County Council, central Government and itself. These transactions are accounted for within the Collection Fund, which is a separate ring fenced account.

The Council monitors the percentage of council tax and business rates it collects within the year it is due. At the quarter ended 30 June 2017 26.86% of the council tax due for 2017/18 had been collected and 26.34% of business rates. The equivalent figures for quarter one 2016/17 were 30.9% and 32.9% respectively.

Head of Financial Planning and Reporting July 2017

Appendix 1

General Fund Variance Summary for 2017/18 as at 30 June 2017 By Service Area

	Revised Estimate 2017/18	Forecast Outturn 2017/18	Variance
	£	£	£
EXPENDITURE			
Chief Executive			
Communications and Community Liaison	0	(47,650)	(47,650)
Graphic Design	0	0	0
Economic Development	256,769	236,939	(19,830)
Infrastructure, Regeneration and Special Projects	581,631	545,943	(35,688)
Corporate Management	727,025	727,025	0
Democratic Representation and Management	455,861	455,861	0
Elections	174,780	187,136	12,356
Land Charges	(27,748)	(27,748)	0
Licensing	(17,611)	(17,611)	0
Grants	123,086	123,086	0
Planning and Building Control	461,918	459,062	(2,857)
Planning Policy	392,672	399,008	6,336
Total Chief Executive	3,128,383	3,041,050	(87,333)
Environmental Services			
Refuse	881,331	863,831	(17,500)
Recycling	951,446	790,260	(161,186)
Street Cleansing	1,045,761	1,058,261	12,500
Public Conveniences	9,839	9,839	0
Markets	(34,331)	(39,601)	(5,270)
Dogs	12,598	12,985	387
Highways	2,229	1,829	(400)
Community Safety	127,414	128,570	1,156
Town Centres	215,479	216,194	715
Parks	1,063,238	1,065,655	2,417
Grounds Maintenance	752,953	752,953	0
Cemeteries	(26,591)	(117,076)	(90,485)
Environmental Health	324,602	334,622	10,020
Environmental Health Licensing	(1,972)	(1,972)	0
Housing Standards	726,231	733,731	7,500
Field Force	(7,977)	(5,077)	2,900
Broxbourne Services Admin	1,878	(5,558)	(7,436)
Total Environmental Services	6,044,127	5,799,445	(244,682)
Total Environmental Services excl Mausoleum income	6,044,127	5,934,930	(109,197)

Finance			
Financial Planning and Reporting	699,967	738,711	38,744
Treasury, Risk and Insurance	89,301	81,517	(7,784)
Internal Audit	0	0	0
Computer Services	0	5,000	5,000
Personnel	0	0	0
Business Management Admin	0	2,050	2,050
Customer Services	0	(4,464)	(4,464)
Office Services	0	(3,100)	(3,100)
Community Development	450,072	446,072	(4,000)
Homelessness	646,145	646,145	0
Temporary Accommodation	324,322	420,000	95,679
Housing Department Admin	161,932	163,282	1,350
Housing Options	173,337	173,337	0
Community Planning	114,552	114,552	0
Transport	485	485	0
Benefits Administration	(183,668)	(183,668)	0
Rent Allowance	144,145	144,145	0
Revenue Services	0	0	0
Local Tax	630,791	648,069	17,278
Sports Facilities	1,014,747	1,013,430	(1,317)
Community Halls	296,216	296,203	(13)
Sports - Leased Facilities	(1,236)	4,264	5,500
Lowewood Museum	145,857	147,177	1,320
Leisure Central Support	(1)	(1)	0
BLMSO Management Fee	(355,680)	(355,680)	0
Parking	(510,360)	(490,884)	19,476
Commercial Property	(2,855,203)	(3,074,014)	(218,811)
Operational Property	(106,785)	(106,785)	0
Total Finance	878,936	825,843	(53,093)
Legal Services			
Legal Services	0	0	0
Total Legal Services	0	0	0
Total General Fund	10,051,446	9,666,340	(385,107)
Total General Fund Excluding Mausoleum Income	10,051,446	9,801,825	(249,621)