

# General Fund Forecast Monitor Q1 2018/19



**BOROUGH OF  
BROXBOURNE**

*2018: Year of Community*

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## General Fund Forecast Monitor Quarter One 2018/19

### Introduction

This monitor summarises the Council's current year end forecast as at the end of the first quarter of the year (April to June 2018/19) compared to the approved revised budget and provides explanations for significant variances.

The Council's forecast net cost of services is currently £7.9 million compared to a budget of £8.3 million which results in a favourable variance of £0.4 million. Reasons for this variance include a substantial fall in the sale value of recycled paper and card of £146k and an increase in charges of £15k from Hertfordshire Building Control Ltd for statutory building control functions. However, these are offset by salary savings from vacant posts of £215k and a delay in productivity enhancement will save £75k. The overall variance also includes income from the sales of chambers in the Council's second community mausoleum at Cheshunt cemetery of £54k and rental income of £188k from the latest investment property acquisition which will be used to fund capital expenditure. When this additional income is excluded the overall variance is £93k favourable.

Areas of income and expenditure which are demand driven and as such could create a significant budget variance, are shown below in table 1. Other major variances (those over £20k from revised budget) are set out in table 2. Appendix 1 shows a complete listing of all variances by service area.

### Risks to the budget

The following are seen as areas most likely to result in a significant budget variance:

**Table 1**

<b>Risk Area</b>	<b>Revised Budget £000</b>	<b>Forecast £000</b>	<b>Variance adv/(fav) £000</b>
<b>Commercial property rental income</b> Additional income from a new acquisition of £188k. There are currently 9 empty properties (3%) in the Borough (4 shops, 3 industrial units and 2 offices) which is forecast to reduce income by £9k.	(6,240)	(6,428)	(188)
<b>Waste and Recycling, net direct cost</b> Additional vehicle hire costs of £20k, increased tipping fees of £20k and a reduction in income of £144k due to a decrease in selling price for recycled paper and card.	534	723	189

## Major variances by service area

**Table 2**

<b>Service Area</b>	<b>Revised Budget £000</b>	<b>Full Year Forecast £000</b>	<b>Variance adv/(fav) £000</b>
<b>Infrastructure, Regeneration and Special Projects</b>	<b>558</b>	<b>496</b>	<b>(62)</b>
Salary savings as a result of a vacant post.			
<b>Planning and Building Control</b>	<b>489</b>	<b>418</b>	<b>(71)</b>
Salary savings due to vacant posts of £86k offset by unbudgeted expenditure of £15k relating to statutory building control services (out of hours, dangerous structures) supplied by Hertfordshire Building Control Ltd and Three Rivers District Council.			
<b>Planning Policy</b>	<b>509</b>	<b>465</b>	<b>(44)</b>
Salary savings as a result of a vacant post.			
<b>Recycling</b>	<b>734</b>	<b>905</b>	<b>170</b>
Additional vehicle hire costs of £20k being incurred due to the Kerbsiders being taken out of service as they have reached the end of their useful life and are uneconomic to repair. Income from the sale of recycled paper and card has reduced to £35.00 per ton from £82.50 per ton due to current market rates, this will result in loss of income of £146k.			
<b>Cemeteries</b>	<b>107</b>	<b>53</b>	<b>(54)</b>
Unbudgeted sales of mausoleum chambers of £54k (which, as with all previous sales, will be used to fund capital expenditure).			
<b>Customer Services</b>	<b>0</b>	<b>(23)</b>	<b>(23)</b>
Salary savings as a result of a review of the One Stop Shop service.			
<b>Financial Planning and Reporting</b>	<b>1,039</b>	<b>964</b>	<b>(75)</b>
Budgeted productivity enhancement expenditure of £150k will not happen until later in the year.			
<b>Commercial Property</b>	<b>(4,629)</b>	<b>(4,808)</b>	<b>(179)</b>
Additional income of £188k received from a new investment property.			

## 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 2018 27.22% of the council tax due for 2018/19 had been collected and 28.35% of business rates. The equivalent figures for quarter one 2017/18 were 26.86% and 26.34% respectively.

## Head of Financial Planning and Reporting July 2018

## Appendix 1

### General Fund Variance Summary for 2018/19 as at 30 June 2018 By Service Area

NB Explanations for variances in the highlighted cells are can be found in table 2 above	Revised Budget 2018/19	Full Year Forecast 2018/19	Variance
	£	£	£
<b>EXPENDITURE</b>			
<b>Chief Executive</b>			
Communications and Community Liaison	0	0	0
Graphic Design	0	0	0
Economic Development	85,726	77,201	(8,525)
Infrastructure, Regeneration and Special Projects	557,879	496,315	(61,564)
Corporate Management	798,514	798,514	0
Democratic Representation and Management	463,788	463,788	0
Elections	286,055	297,113	11,059
Land Charges	(25,372)	(21,372)	4,000
Licensing	(11,131)	(11,131)	0
Grants	103,722	103,722	0
Planning and Building Control	489,566	418,262	(71,304)
Planning Policy	508,873	465,328	(43,545)
<b>Total Chief Executive</b>	<b>3,257,619</b>	<b>3,087,740</b>	<b>(169,879)</b>
<b>Environmental Services</b>			
Refuse	822,098	841,797	19,699
Recycling	734,398	904,637	170,239
Street Cleansing	1,364,888	1,368,192	3,304
Public Conveniences	0	0	0
Markets	(57,446)	(47,396)	10,050
Dog Collection	13,732	13,732	0
Highways	19,219	24,246	5,027
Community Safety	118,914	120,221	1,307
Town Centres	194,437	195,254	817
Parks	1,084,704	1,087,637	2,933
Grounds Maintenance	711,866	706,789	(5,077)
Cemeteries	106,648	52,669	(53,979)
Environmental Health	348,517	348,517	0
Environmental Health Licensing	(4,659)	(4,659)	0
Housing Standards	100,921	102,921	2,000
Environmental Enforcement	0	0	0
Environmental Services Administration	(0)	(251)	(251)
<b>Total Environmental Services</b>	<b>5,558,238</b>	<b>5,714,307</b>	<b>156,069</b>
<b>Total Environmental Services excl Mausoleum income</b>	<b>5,558,238</b>	<b>5,768,966</b>	<b>210,728</b>

NB Explanations for variances in the highlighted cells are can be found in table 2 above	Revised Budget 2018/19	Full Year Forecast 2018/19	Variance
	£	£	£
<b>Finance</b>			
Financial Planning and Reporting	1,038,743	963,743	(75,000)
Treasury, Risk and Insurance	94,441	94,441	0
Internal Audit	0	(30,065)	(30,065)
Computer Services	1	(2,499)	(2,500)
Personnel	(1)	(1)	0
Business Management Admin	(126,257)	(126,257)	0
Customer Services	(0)	(23,000)	(23,000)
Office Services	4	(3,596)	(3,600)
Community Development	401,860	389,629	(12,231)
Homelessness	594,922	594,922	0
Temporary Accommodation	637,609	637,609	0
Housing Department Admin	490,777	490,777	0
Housing Options	13,432	13,432	0
Community Planning	132,254	132,254	0
Transport	450	450	0
Benefits Administration	(161,370)	(161,370)	0
Rent Allowance	144,145	144,145	0
Revenue Services	0	0	0
Local Tax	581,805	581,805	0
Sports Facilities	941,309	941,309	0
Community Halls	292,881	292,881	0
Sports - Leased Facilities	3,339	3,339	0
Lowewood Museum	149,170	149,170	0
Leisure Marketing	(1)	(1)	0
BLMSO Management Fee	(519,851)	(519,851)	0
Parking	(462,278)	(459,878)	2,400
Commercial Property	(4,629,279)	(4,808,125)	(178,846)
Operational Property	(149,045)	(154,045)	(5,000)
<b>Total Finance</b>	<b>(530,941)</b>	<b>(858,783)</b>	<b>(327,842)</b>
<b>Total Finance excl investment property acquisition income</b>	<b>(530,941)</b>	<b>(671,283)</b>	<b>(140,342)</b>
<b>Legal Services</b>			
Legal Services	1	6,677	6,676
<b>Total Legal Services</b>	<b>1</b>	<b>6,677</b>	<b>6,676</b>
<b>Total General Fund</b>	<b>8,284,917</b>	<b>7,949,941</b>	<b>(334,976)</b>
<b>Total General Fund Excluding Mausoleum and investment property acquisition income</b>	<b>8,284,917</b>	<b>8,192,100</b>	<b>(92,817)</b>