

SEPTEMBER 2018 - SALARIES

<u>DIRECTORATE</u>	<u>2018/19</u>			<u>2017/18</u>		
	<u>EXPENDITURE</u>	<u>BUDGET</u>	<u>VARIATION</u>	<u>EXPENDITURE</u>	<u>BUDGET</u>	<u>VARIATION</u>
	<u>TO 30/09/18</u>	<u>PROVISION</u>	<u>FROM BUDGET</u>	<u>TO 30/09/17</u>	<u>PROVISION</u>	<u>FROM BUDGET</u>
	<u>£000</u>	<u>(ORIGINAL)</u>	<u>(ORIGINAL)</u>		<u>(ORIGINAL)</u>	<u>(ORIGINAL)</u>
		<u>£000</u>	<u>%</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
CHIEF EXECUTIVE	453	461	-1.7	263	262	0.4
RESOURCES *	3,119	3,209	-2.8	2,872	3,013	-4.7
GOVERNANCE *	1,857	1,880	-1.2	1,860	1,819	2.3
NEIGHBOURHOODS *	2,660	2,692	-1.2	2,630	2,637	-0.3
COMMUNITIES *	4,034	4,021	0.3	3,917	3,964	-1.2
TOTAL	12,123	12,263	-1.1	11,542	11,695	-1.3

* Actual agency costs are £813k to date, of this £649k is included in the actual expenditure above, as the remainder is covered by other existing budgets.

Please note a vacancy allowance of 1.50% has been deducted in all directorate budget provisions.

	18/19 Full Year Budget £'000	Second Quarter			18/19 Variance Budget v Actual			Comments
		18/19 Budget £'000	18/19 Actual £'000	17/18 Actual £'000	£'000		%	
<u>Major Expenditure Items</u>								
Information & Communication Technology	1,515	1,115	1,121	874	6		1	The full year budget includes the cost of the councils Multi-Function Devices, Network Telephone & Mobiles, provision of the Service Desk and maintenance for all Systems in use. Expenditure in 2018/19 is higher than the comparative actual due to costs relating to the technology strategy which was approved in November 2017 as part of the transformation programme.
Bank & Audit Charges	117	15	7	25	-8		0	The expenditure in the second quarter of 2018/19 is lower than the budget to date due to the timing difference in the billing for the banking and cash collection charges. The decrease in expenditure compared to the prior year is the result of a change in the appointment of the council's external auditors who have not provided any services to date.
	1,632	1,130	1,128	899				
<u>Major Income Items</u>								
Investment Income	102	51	60	81	9		17	An improvement in rates received and average balances being higher than expected has given rise to additional investment income to date. The drop in value between years is due to the BIFFA loan being an annuity
	102	51	60	81				

	18/19	Second Quarter			18/19			<u>Comments</u>
	Full Year	18/19	18/19		Variance			
	Budget	Budget	Actual		Budget v Actual			
	£'000	£'000	£'000		£'000		%	
<u>Major expenditure items:</u>								
Museum	124	81	90		77	9	11	The variance is due to ad hoc security for events and additional security to cover for a month at the museum store (Grangewood) while emergency building works were taking place.
Grants to Voluntary Groups	88	21	21		24	0	0	There are no variances.
Voluntary Sector Support	157	59	61		76	2	3	There are no major variances in year in the prior year the payment to Voluntary Action Epping Forest occurred in quarter 2 rather than quarter 3.
	369	161	172		177			

	18/19 Full Year Budget £'000	Second Quarter			18/19 Variance Budget v Actual		<u>Comments</u>
		18/19 Budget £'000	18/19 Actual £'000	17/18 Actual £'000	£'000	%	
<u>Major expenditure items</u>							
North Weald Centre	215	115	109	111	-6	-5	Maintenance expenditure is a little below expectations at this point this also occurred last year.
Disabled Facilities Grants	630	315	176	198	-139	-44	The surveyors post became vacant during the last quarter which has led to a delay in schemes being assessed and referrals coming through from the County Council.
	845	430	285	309			
<u>Major income items:</u>							
North Weald Centre	976	605	541	554	-64	-11	Agreement of the lease relating to the National Police Air Service (NPAS) was delayed until September meaning income will be lower than expected.
Hackney Carriages	176	88	73	86	-15	-17	Vehicle license plate and Private Hire License plate income behind target though the initial 3 year licences issued in 2015 are due for renewal this month.
Licensing & Registrations	111	45	36	50	-9	-20	Liquor license income is currently below target again there should be an increase in income during quarter 3.
Building Control - Fee Earning	500	274	287	306	13	5	Fee income is now above target having been below target at quarter 1.
Industrial Estates	1,373	1,012	959	1,025	-53	-5	Brooker Road income behind target, and on Oakwood Hill plots there was a premium receipt for a new lease which has not been received to date.
Business Premises - Shops	2,204	1,653	1,589	1,644	-64	-4	There are a number of new leases currently being completed which is why income is currently down. The variance between years is due to additional rents received in 2017/18 due to re-negotiation of leases and some vacant properties this term.
Epping Forest Shopping Park	1,776	888	981	0	93	11	Accounting for "Rent-Free" periods has increased the income for the period to September 2018 and the estimate rectified at revised estimates time.
Land & Property	215	159	159	144	0	0	No major in-year variance. The variance between years is due to the revision in rent on the David Lloyd lease was completed during quarter 2 in 2017/18.
	7,331	4,724	4,625	3,809			

	18/19 Full Year Budget £'000	Second Quarter			18/19 Variance Budget v Actual			Comments
		18/19 Budget £'000	18/19 Actual £'000	17/18 Actual £'000	£'000		%	
Major expenditure items:								
Refuse Collection	1,462	552	237	460	-315		-57	} Although paying via Direct Debit expenditure is not recorded until invoices are received from the contractor. These have been slow to materialise and hence low amounts of actuals against budget. This is due to be rectified from October 2018.
Street Cleansing	1,386	576	292	445	-284		-49	
Recycling	3,049	1,017	479	856	-538		-53	
Highways General Fund	62	21	23	54	2		8	No major variances. The variance between years is due to the highways panel expenditure payment made in April 2017.
Off Street Parking	479	214	224	224	10		5	No major variances.
Land Drainage & Contaminated Land	192	32	22	22	-10		-32	Timing of expenditure can be difficult to predict and like last year is slightly below expectations.
	6,630	2,412	1,277	2,061				

DIRECTORATE FINANCIAL MONITORING - CONTRACT AND TECHNICAL (2)

	18/19 Full Year Budget £'000	Second Quarter			18/19 Variance Budget v Actual		<u>Comments</u>
		18/19 Budget £'000	18/19 Actual £'000	17/18 Actual £'000	£'000	%	
<u>Major income items:</u>							
Refuse Collection	80	40	45	41	5	11	Bulky waste income is slightly higher than expected.
Recycling	1,477	347	199	337	-148	0	Income is now being agreed with Essex County Council but we are still somewhat behind. There is also an adjustment relating to 2017/18 to be accounted for in 2018/19
Off Street Parking	1,368	647	653	625	6	1	No major in-year variances. The variance between years is due to an increase in the levels of Season Tickets issued and receipt of Penalty Charge Notices.
Leisure Contract	734	134	113	0	-21	-16	The in-year variance is due to issues surrounding the previous contractor being picked up by Places for People that were not in the discussions in letting the current contract. The actual for 2017/18 is not shown here as the Council made payments to the contractor in the first year to account for initial start up costs.
Fleet Operations MOTs	244	122	105	112	-17	-14	MOT income is below expectations and indeed down on the previous year too.
	3,903	1,290	1,115	1,115			

	18/19 Full Year Budget £'000	Second Quarter			18/19 Variance Budget v Actual			Comments
		18/19 Budget	18/19 Actual		17/18 Actual	Budget v Actual		
		£'000	£'000		£'000	£'000	%	
<u>Major Expenditure Items</u>								
Non-HRA Rent Rebates	289	145	143		149	-2	-1	The actual at quarter two in comparative to the budget and previous year indicates that the number of homeless people placed in Bed and Breakfast accommodation has remained relatively static. However there are a number of claimants awaiting assesment.
	289	145	143		149			

	18/19 Full Year Budget £'000	Second Quarter			18/19 Variance Budget v Actual		<u>Comments</u>
		18/19 Budget £'000	18/19 Actual £'000	17/18 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Building Maintenance	638	84	130	109	46	55	Expenditure fluctuates from one year to another due to Building Maintenance works being determined on a rolling five year programme which identifies and prioritises the works required to the non-office assets but generally works are undertaken in the latter part of the year which allows for preparation work to take place initially. Having said that expenditure is a little higher than expected due to timing differences.
Bed & Breakfast Accommodation	271	135	176	190	41	30	There has recently been an increase in caseload and consequently expenditure. There are currently 21 cases at the end of quarter 1 there were 19.
Voluntary Sector Support	17	0	0	17	0	0	Expenditure here occurred in month 6 during 2017/18, in 2018/19 expenditure does not show until month 7.
	926	219	306	316			
<u>Major income items</u>							
Bed & Breakfast Accommodation	280	140	176	188	36	26	Rents are higher than expected due to the increased caseload.

	18/19 Full Year Budget £'000	Second Quarter			18/19 Variance Budget v Actual		Comments
		18/19 Budget £'000	18/19 Actual £'000	17/18 Actual £'000	£'000	%	
<u>Major Expenditure Items</u>							
Local Plan	1,235	186	136	303	-50	-27	Expenditure is lower than the budget and previous year comparative due to the pending outcome of the judicial review made by CK Properties (Theydon Bois) Limited in March 2018.
	1,235	186	136	303			
<u>Major Income Items</u>							
Development Control	1,208	609	771	481	162	27	Development Control fees received in the first half of the year have exceeded both the budget to date and the previous year's actual due to an increase in the number of planning applications received. This includes the 20% increase in Planning Fees which was implemented in January 2018 along with a number of high value fees from large developer proposals who may have previously been awaiting the publication of the Local Plan. The £162,000 additional income received in comparison to the budget at the end of quarter one includes £139,000 in development control fees and charges and £23,000 in other pre assessment consultation fees.
Local Land Charges	164	87	78	96	-9	-10	
Local Plan Implementation (Planning Performance Agreement Income)	40	20	63	0	43	215	It was anticipated that £40,000 of revenue would be received by the Council through developer contributions during 2018/19. The actual for the second quarter has already exceeded the full year budget because at this stage it is difficult to precisely quantify the cash flow of potential revenue streams which depend largely on the Local Development Scheme Timetable.
	1,412	716	912	577			

2018/19 DIRECTORATE FINANCIAL MONITORING - HOUSING REVENUE ACCOUNT

ANNEX 9

	18/19 Full Year Budget £'000	Second Quarter			18/19 Variance Budget v Actual		<u>Comments</u>
		18/19 Budget £'000	18/19 Actual £'000	17/18 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Management & General	311	126	85	101	-41	-33	Expenditure is lower than expected in the first half of 2018/19 due to less spend on consultants and professional fees within the Policy & Management budget.
Housing Repairs	6,128	1,645	1,616	1,206	-29	-2	This underspend mainly relates to expenditure on responsive repairs (£11,000) and voids (19,000). The spend in quarter two last financial year, was lower due to delays in invoices from one of the contractors.
Special Services	1,129	480	326	373	-154	-32	The main underspend in this section relates to outstanding invoices from Biffa, currently 3 months behind. Other factors relate to utility costs and caretaking and cleaning.
	7,568	2,251	2,027	1,680			
<u>Major income items:</u>							
Non-Dwelling Rents	876	431	407	425	-24	-6	The reduction in income relates to garage rents.
Gross Dwelling Rent	31,324	15,662	15,579	15,759	-83	-1	The reduction in rental income from dwellings this financial year compared to 2017/18 is due to the rent decrease of 1% from April 2018, combined with reduced stock numbers due to the high number of Right To Buy sales this year. Void levels are around 0.75%, running broadly in line with expectations. With regard to new build, 65 properties were scheduled for 2018/19, however, the majority of these have been delayed. The profile for rents is based on the estimate, including the new build, averaged over the year.
	32,200	16,093	15,986	16,184			