

2014/15 DIRECTORATE FINANCIAL MONITORING
SEPTEMBER 2014 - SALARIES

ANNEX 1

<u>DIRECTORATE</u>	<u>2014/15</u>			<u>2013/14</u>		
	<u>EXPENDITURE</u>	<u>BUDGET</u>	<u>VARIATION</u>	<u>EXPENDITURE</u>	<u>BUDGET</u>	<u>VARIATION</u>
	<u>TO 30/09/14</u>	<u>PROVISION</u>	<u>FROM BUDGET</u>	<u>TO 30/09/13</u>	<u>PROVISION</u>	<u>FROM BUDGET</u>
	<u>£000</u>	<u>£000</u>	<u>%</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
CHIEF EXECUTIVE	108	113	-4.4	127	124	2.4
RESOURCES *	2,772	2,781	-0.3	2,702	2,655	1.8
GOVERNANCE	1,657	1,708	-3.0	1,630	1,666	-2.2
NEIGHBOURHOODS *	2,045	2,118	-3.4	2,089	2,112	-1.1
COMMUNITIES *	3,565	3,590	-0.7	3,356	3,386	-0.9
TOTAL	10,147	10,310	-1.6	9,904	9,943	-0.4

* Agency costs are included in the salaries expenditure.

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

	14/15 Full Year Budget £'000	Second Quarter			14/15 Variance Budget v Actual		Comments
		14/15 Budget £'000	14/15 Actual £'000	13/14 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Museum	52	31	28	36	-3	-10	Expenditure is lower in the current year as the rent payable by the museum has reduced due to the relocation.
Bed & Breakfast Accommodation	95	48	46	47	-2	-4	There has been a slight increase in expenditure but the invoices concerned were not processed until month 7
Grants to Voluntary Groups	132	79	71	73	-8	-10	The Homestart grants have now ceased. The amount concerned of £8,000 will either be an underspend or re-allocated to general grants.
Voluntary Sector Support	170	153	153	76	0	0	The grant to the Citizens Advice Bureau was not paid until month 7 in the prior year.
<u>Major income items:</u>							
Bed & Breakfast Accommodation	107	54	57	47	3	6	This budget relates to Housing Benefits awarded and invoices raised for non eligible charges. The recent increase in Bed & Breakfast placements is now showing here in the form of increased income.
	556	365	356	233			

	14/15 Full Year Budget £'000	Second Quarter			14/15 Variance Budget v Actual		<u>Comments</u>
		14/15 Budget £'000	14/15 Actual £'000	13/14 Actual £'000	£'000	%	
<u>Major income items:</u>							
Industrial Estates	1,147	825	777	758	-47	-6	Rents from the Industrial units are below expectations due to a number of units being vacant at the Oakwood Hill Workshop Units and Brooker Road, although several of the units have recently been relet. Income is lower than the previous year as even though several of the vacant units have been relet, the tenancy agreement provides rent free periods. At the beginning of the year there were a number of voids affecting the Langston Road Seedbed Centre which has also affected the income received.
Business Premises - Shops	1,865	1,398	1,624	1,382	225	16	This income relates to non housing assets which include shops, doctors surgeries, a petrol station and public houses. Income is above the profiled budget and the previous year actual due to significant rent reviews having been agreed for several tenants.
Land & Property	166	50	48	57	-2	-4	Commission is received from the David Lloyd Centre based on their turnover. Income relating to 2014/15 will be accounted for at the end of the year, but received during the initial part of 2015/16. Income received from land and property is on target with the profiled budget.
	3,178	2,273	2,449	2,197			

	14/15 Full Year Budget £'000	Second Quarter			14/15 Variance Budget v Actual		Comments
		14/15 Budget £'000	14/15 Actual £'000	13/14 Actual £'000	£'000	%	
<u>Major income items</u>							
Development Control	555	254	397	283	143	56	Development Control fees, which are profiled on the average of the previous three years, are significantly higher in the first half of this year than both the profiled budget and the previous year due to the up-turn in the economy after a few years now of developer caution. The increase in income includes Pre-application fee which has already exceeded the full year budget of £40,000 with income received in the first half of the year totaling £43,000.
Building Control Fee Earning	386	214	218	189	4	2	Building Control fees are slightly higher than the profiled budget and greater than the previous year actual. This is as a result of an up-turn in the building industry.
Local Land Charges	195	99	121	102	22	23	Local Land Charges income has exceeded the previous year actual and the budget to date. There has been an improvement in the housing market which has seen an up-turn in the number of searches performed.
	1,136	567	736	574			

	14/15 Full Year Budget £'000	Second Quarter			14/15 Variance Budget v Actual		Comments
		14/15 Budget £'000	14/15 Actual £'000	13/14 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Refuse Collection	1,445	490	350	355	-140	-29	The variances is due to the contractor being a further month in arrears with invoicing and there being no expenditure on publicity.
Street Cleansing	1,363	454	345	333	-109	-24	The variance is due to the contractor being one further month in arrears with invoicing which is partly offset by an increase in variation orders for fly-tips.
Recycling	3,208	1,108	990	944	-118	-11	The contractor is one further month in arrears with invoicing.
Highways General Fund	380	66	61	57	-5	-8	A number of minor under-spends account for variance the largest of which relates to street naming and numbering
Off Street Parking	466	300	294	264	-6	-2	Expenditure on Maintenance, Non domestic rates and the Parking Contractor was lower than in the current year. A saving on NDR accounts for the in year difference.
North Weald Centre	208	112	85	110	-27	-24	Due to their nature, timing differences arise on Other Maintenance and Electricity headings. In the previous year there was a larger amount of spend on runway maintenance at this stage.
Land Drainage & Contaminated Land	186	33	26	13	-7	-21	Works at Bobbingworth Tip are still being evaluated to see if a possible trend is arising which is the major variance in this area.
	7,256	2,563	2,151	2,076			

	14/15 Full Year Budget £'000	Second Quarter			14/15 Variance Budget v Actual		Comments
		14/15 Budget £'000	14/15 Actual £'000	13/14 Actual £'000	£'000	%	
<u>Major expenditure items</u>							
Forward Planning	354	89	41	66	-48	-54	Timing differences inevitably arise in this area due to the Local Plan having lengthy and sometimes complex consultation processes.
<u>Contract cost Monitoring</u>							
Leisure Facilities:-							
Loughton Leisure Centre	-175	-62	-62	-75	0	0	} There are no major in year variances. In 2014/15, 4 months have been paid. At the same point last year 5 months had been paid.
Epping Sports Centre	315	103	103	125	0	0	
Waltham Abbey Pool	513	171	170	207	-1	-1	
Ongar Sports Centre	298	98	98	119	0	0	
	951	310	309	376			

DIRECTORATE FINANCIAL MONITORING - NEIGHBOURHOODS (3)

	14/15 Full Year Budget £'000	Second Quarter			14/15 Variance Budget v Actual		Comments
		14/15 Budget £'000	14/15 Actual £'000	13/14 Actual £'000	£'000	%	
<u>Major income items:</u>							
Refuse Collection	80	30	81	21	51	170	The current landfill site being used by Essex County Council is further away than planned. This will cease from November 2014 when the Harlow Transfer Station will be used and hence no further credits will be received.
Recycling	2,461	726	636	915	-90	-12	Income is down due to a reorganisation at Essex County Council (ECC) and the service managers having difficulty in agreeing the tonnage figures. However things have improved since quarter 1. It is expected that income for the first six months will reach the target. Arrangements under the new contract are different in that the credits will be paid to the contractor.
Off Street Parking	1,134	508	407	442	-101	-20	No income was received during September due to changes in the operational and admin. procedures at NEPP. Things have now settled down and as at the end of October only a small shortfall is showing.
North Weald Centre	1,070	643	646	603	3	0	No major in year variances. The variance between years is the effect of rent increases now being received.
Hackney Carriages	181	90	94	86	4	4	A new tariff was brought in this year for Hackney Carriage Licences enforcing the use of meters in cabs. This has forced some drivers to have both a Hackney Carriage and Private Hire plate and the use of 2 different vehicles.
Licensing & Registrations	115	57	55	52	-2	-4	No major variances.
Fleet Operations MOTs	228	114	118	111	4	4	MOT testing by the Fleet Operations section is showing signs of recovery after the reduction experienced during the last couple of years.
	5,269	2,168	2,037	2,230			

2014/15
DIRECTORATE FINANCIAL MONITORING - RESOURCES

	14/15 Full Year Budget £'000	Second Quarter			14/15 Variance Budget v Actual		Comments
		14/15 Budget £'000	14/15 Actual £'000	13/14 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Building Maintenance	703	147	149	145	2	1	Building Maintenance works are difficult to forecast but generally works are undertaken in the latter part of the year which allows for preparation work to take place initially. The expenditure to date is in line with the profiled budget and the previous year actual.
Information Technology	771	639	637	638	-2	0	IT expenditure tends to occur at the beginning of the financial year which includes the payment of maintenance contracts for systems leaving only network charges continuing to be paid throughout the year. The expenditure for the second quarter is in line with the budget and the previous year actual.
Telephones	171	100	120	76	20	20	The increase in expenditure for telephones in comparison to the budget and previous year actual relates to the maintenance cost of the new VOIP telephony system which has been implemented within the Council. Although this is showing an overspend it is expected that when taken with the Information technology budget above, expenditure overall will be on target.
Bank & Audit Charges	169	29	29	26	0	0	Expenditure to date represents the first quarters Audit Fee, the fee for the second quarter becomes payable in quarter three.
	1,814	915	935	885			
<u>Major income items:</u>							
Investment Income	399	200	217	213	17	9	Investment interest is similar to the previous year and a little higher than expected due to higher investment balances being held.
	399	200	217	213			

	14/15 Full Year Budget £'000	Second Quarter			14/15 Variance Budget v Actual		Comments
		14/15 Budget £'000	14/15 Actual £'000	13/14 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Management & General	297	123	112	104	-11	-9	There are currently underspends on publicity, printing and document archiving. These have been offset by overspends on professional and land registry fees due to the Council House Building schemes.
Housing Repairs	5,693	2,790	2,280	2,269	-510	-18	The underspend mainly relates to the responsive repairs element of the fund. The budget is profiled evenly across the year, as it is unknown when responsive repairs will arise
Special Services	631	269	246	281	-23	-9	The main areas of underspending are on new equipment and various miscellaneous works. These have been partly offset by an overspend on utility services.
Interest on Loans	5,532	2,766	2,765	2,762	-1	0	No Major variance
	12,153	5,948	5,403	5,416			
<u>Major income items:</u>							
Non-Dwelling Rents	857	424	412	425	-12	-3	Income levels are down due to a higher than expected level of garage voids.
Gross Dwelling Rent	31,680	15,840	15,749	15,147	-91	-1	Income is below expectations due to higher than expected sales and voids. The variance between years is due to the annual rents increase which was 4.9% from April 2014.
	32,537	16,264	16,161	15,572			