

## APPENDIX 2

## FINANCIAL PERFORMANCE

Employee Position

The summary position as at 28 February 2018 as regards to the employee budgets is as shown below:

Directorate	Budget to 28/02/2018 £	Actual to 28/02/2018 £	Variance £
Chief Executive's	1,868,289	1,796,136	(72,152)
Deputy Chief Executive's	5,250,942	5,159,139	(94,673)
Legal and Planning Services	1,663,216	1,653,866	6,393
Housing and Property Services	4,027,893	4,007,781	(20,112)
<b>Total</b>	<b>12,810,339</b>	<b>12,616,922</b>	<b>(180,545)</b>

Any overtime in respect of February (paid in March) is not included. In addition to the above costs, there are redundancy and settlement costs to February 2018 totalling £112,606 that also need to be met from the above budget.

The budget figures shown above include agency costs but exclude the 3% vacancy rate and the additional employee savings target set when the 2017/18 budget was approved. This presently totals £497,900 for 2017/18. The table above shows that the Council will fail to meet the 2017/18 vacancy rate and employee savings target.

Some of the most significant variances with regards to employee budgets are shown in the following table below along with accompanying comments:

Employee Budget Heading	Budget to 28/02/18 £	Actual to 28/02/18 £	Variance £	Comments
<b>General Fund</b>				
Deputy Chief Executive and Section 151 Officer	109,996	40,272	(69,724)	Postholder left on 31 July 2017
Interim Deputy Chief Executive/Section 151 Officer (Agency Costs)	-	101,250	101,250	Providing cover for the vacant Deputy Chief Executive and Section 151 Officer post
ICT Business Transformation	77,688	44,161	(33,527)	New Information Governance Officer started in October 2017
Refuse Collection	1,078,596	1,117,436	38,840	Requirement for additional agency staff
Customer Services	499,217	446,930	(52,287)	Number of vacant posts recently filled

<b>Employee Budget Heading</b>	<b>Budget to 28/02/18 £</b>	<b>Actual to 28/02/18 £</b>	<b>Variance £</b>	<b>Comments</b>
Finance – Audit and Control	218,854	175,188	(43,666)	Procurement and Contracts Officer post has been vacant since June 2017
Development Control	312,996	270,122	(42,874)	New posts approved by Policy and Performance Committee on 4 July 2017 being filled
Capital Works	308,321	263,468	(44,853)	New structure approved by Policy and Performance Committee on 4 July 2017. Posts being filled.
<b>Housing Revenue Account</b>				
Head of Housing	61,235	42,034	(19,201)	Post holder left in November 2017
Head of Housing – Agency Staff	54,300	98,511	44,211	Providing cover for the Head of Housing post. The budget is for period to 30 September 2017 only.
Retirement Living	770,166	713,299	(56,867)	Vacant posts within establishment.
Retirement Living – Agency Staff	0	57,566	57,566	Cover for vacant Retirement Living Officer posts.

### **Non-Employee Expenditure Budget Variations**

The most significant variations on non-employee budgets to 28 February 2018 are as follows:

<b>Budget Heading</b>	<b>Budget 2017/18 £</b>	<b>Actual to 28/02/18 £</b>	<b>Comments</b>
<b>General Fund</b>			
Miscellaneous – Consultancy	0	106,046	This includes payments to Richard Powell (£15,600), DKD Associates (£27,200) and Browne Jacobson (£69,850) with regards to investigatory work. A further payment of £6,330 was made to DKD Associates in March 2018.
Miscellaneous - Third Party Payments	0	34,133	Cost of Interim Strategic Director (from Rushcliffe BC) to 31 December 2017.

Budget Heading	Budget 2017/18 £	Actual to 28/02/18 £	Comments
Planning and Development – Advertising	13,000	22,755	There is a legal requirement for the Council to publicise planning applications. Projected expenditure for 2017/18 is £25,600.
Planning and Development – Neighbourhood Planning Support	38,800	5,541	There are currently 10 neighbourhood plans underway. These are ongoing and as such most of the budget will need to be carried forward into 2018/19.
Planning and Development – Local Plan Examination	80,000	293	The local plan was published in September 2017. There is a requirement that it be externally examined. It is expected that most of this budget will need to be carried forward into 2018/19.
Economic Development – Assistance to Local Businesses/Town Centre Management	54,850	22,269	Following recruitment of a post within the team and moving the Town Centres team to within the Planning and Development function, a number of initiatives have accelerated in progress such as the business grant scheme. However it is expected that some of this budget will need to be carried forward to 2018/19.
Grounds Maintenance – Subcontractors	164,500	272,857	Vacancies, seasonal pressures and additional ad-hoc orders for both internal and external works are resulting in a current projected expenditure of £310,000 for 2017/18. The Grounds Maintenance establishment (including agency) is £12,084 underspent and external income is £75,502 higher than budgeted for 2017/18.
GF Hostel Accommodation – Rent Income	(89,000)	(44,818)	Occupancy of hostel accommodation has been less than anticipated. Income in 2016/17 was £69,722.
Housing Strategy – Consultants	50,000	0	Budget initially established at Housing Committee on 19 July 2016 to assist with establishing a Housing Delivery Company. Will now be used to produce a draft House Building Delivery Plan as agreed at Housing Committee on 14 March 2018. Budget likely to be carried forward to 2018/19.
<b>Housing Revenue Account</b>			
Sheltered Housing – Building maintenance and utility costs	475,850	349,452	There are underspends on various budget headings. Outstanding utility invoices are likely to reduce this underspend by the financial year end.
Housing Repairs – Materials	421,600	350,690	This underspend is partly offsetting the cost of the increased use of sub-contractors.

Budget Heading	Budget 2017/18 £	Actual to 28/02/18 £	Comments
Housing Repairs – Sub contractors	250,000	349,851	There has been increased spend on sub-contractors that has been partially offset by vacant posts within the establishment and an underspending on materials costs.
Housing Repairs – Waste Disposal	56,000	9,115	This underspend is partly offsetting the cost of the increased use of sub-contractors.
Contractors Work	206,800	326,067	The use of external contractors on relets work reflects volume of activity in this area.

### Income Budgets

The position to 28 February 2018 in respect of the most significant variable income budgets is as follows:

Income	Annual Budget 2017/18 £	Income to 28/02/2018 £	Latest Projection 2017/18 £	Projected Variance to Budget £
Garden Waste Income	(591,000)	(623,226)	(623,000)	(32,000)
Sale of Glass	(25,000)	(21,990)	(24,000)	(1,000)
Sale of Wheeled Bins	(10,000)	(25,595)	(28,000)	(18,000)
Recycling Credits – Glass	(90,000)	(57,993)	(99,000)	(9,000)
Trade Refuse Income	(524,000)	(552,218)	(553,000)	(29,000)
Special Collections Income	(57,000)	(52,107)	(57,000)	0
Cemeteries – Fees and Charges	(182,550)	(154,134)	(187,000)	(4,450)
Parking P&D Income	(145,000)	(165,007)	(175,000)	(30,000)
Planning Fees	(440,000)	(436,210)	(467,000)	(27,000)
Industrial Unit Rents	(166,850)	(176,724)	(180,890)	(14,040)
Craft Centre Complex Rents	(32,900)	(30,832)	(33,650)	(750)
Misc Legal Charges Recovered	(30,000)	(11,164)	(12,200)	17,800
General Properties Rents	(92,850)	(103,481)	(113,000)	(20,150)
Licence Income	(150,050)	(139,292)	(146,700)	3,350
Land Charges Income	(120,000)	(89,050)	(97,200)	22,800
Interest on Investments	(114,400)	(169,742)	(180,060)	(65,660)
Beeston Square Rent	(650,000)	(607,662)	(650,000)	0
Lifeline	(165,000)	(168,370)	(183,650)	(18,650)
<b>Total</b>	<b>(3,586,600)</b>	<b>(3,584,797)</b>	<b>(3,626,884)</b>	<b>(225,750)</b>

### Notes

- i) Income from garden waste, sale of glass, sales wheeled bins, glass recycling credits and trade refuse in 2017/18 are expected to exceed the original expectation when the budget for the year was set.
- ii) Income from cemeteries is expected to exceed the original expectation although not as much as anticipated earlier in the year due to a decline in demand as the year has progressed.
- iii) Income from pay and display parking has exceeded due the budget for the year as users appear to be increasing the duration of their stay.
- iv) Income from planning fees is expected to exceed the budget as a result of an increase in major applications compared to last year. It is expected that further major applications will start to be submitted now that the site allocations have been determined from Part 2 of the Local Plan, which was published in September.
- v) Income from industrial units is expected to exceed the budget for the year due to a more favourable than budgeted occupancy rate.
- vi) Income relating to the recovery of legal charges across the Council is expected to be short of the 2017/18 budget. Income received in 2016/17 was £28,450.
- vii) Rental income from general properties has already exceeded the budget for the year. Income received in 2016/17 totalled £113,223 and a similar figure is anticipated in 2017/18.
- viii) Land charges income is expected to be below budget for the year due to reduced demand for personal searches. Income received in 2016/17 was £149,466.
- ix) Expected income on investments in 2017/18 is supported by the rate of return on a small number of longer-term investments and by the gain made on early payment of funds due to the Local Government Pension Scheme.
- x) Income received from Lifeline has already exceeded the budget for 2017/18 as well as the 2016/17 income of £161,696.

### Capital Programme

Capital programme expenditure as at 28 February 2018 is summarised as follows:

	<b>Approved Budget 2017/18</b> £	<b>Actual Spend to 28/02/2018</b> £	<b>Proportion of Budget Spent</b> %
General Fund	2,965,150	1,418,458	47.8
Housing Revenue Account	4,704,050	3,642,317	77.4
<b>TOTAL</b>	<b>7,669,200</b>	<b>5,060,775</b>	<b>66.0</b>

The table includes all capital schemes brought forward from 2016/17, as previously approved, in addition to any other budget changes made up to 28 February 2018. No account has been taken of any invoices received but not yet paid or work that has taken place but where no invoices have, as yet, been received.

The most significant schemes with regards to spending to 28 February 2018 are:

<b>Scheme</b>	<b>Budget 2017/18 £</b>	<b>Actual to 28/02/18 £</b>	<b>Comments</b>
<b>General Fund</b>			
Disabled Facilities Grant	809,100	402,854	Additional budget of £76,650 (funded by Better Care Fund) approved at Finance and Resources Committee 15 February 2018. Carry forward to 2018/19 anticipated.
Warm Homes on Prescription	66,500	3,936	Scheme approved at Finance and Resources Committee 12 October 2017. Major Expenditure expected in 2018/19
Chewton Street, Eastwood - Contamination Surveys	70,000	0	Scheme approved at Finance and Resources Committee 30 November 2017. Desktop work commenced. Work due on site in April 2018
IT Replacement Programme	176,350	37,857	New Ways of Working Project will inform the direction of the replacement programme
Replacement of MFD Photocopier Estate	63,000	0	Statistical research started on current capacity and use. Programme needs prioritising.
VoIP Telephony	50,000	0	Research underway- options appraisal required.
Town Hall Migration (New Ways of Working)	100,000	1,343	Scheme approved Finance and Resources Committee 12 October 2017. Scheme has commenced. Update presented to Policy and Performance Committee 6 February 2018.
Beeston Square Phase 2 - Legal, Land and Procurement Advice	236,150	96,614	Member workshop held February 2018 and Project Board composition approved. Project Manager appointed.
<b>Housing Revenue Account</b>			
Central Heating Replacement	1,061,950	739,710	Work progressing. New contractor now on site.
Modernisation Programme	1,984,850	1,668,531	Work progressing as planned