

APPENDIX 2

FINANCIAL PERFORMANCE

Employee Position

The summary position as at 31 October 2018 as regards to the employee budgets is as shown below:

| Directorate | Budget to 31/10/2018 £ | Actual to 31/10/2018 £ | Variance £ |
|--|------------------------------|------------------------------|------------------|
| Chief Executive's | 1,163,400 | 1,122,509 | (40,891) |
| Deputy Chief Executive's | 3,356,413 | 3,379,107 | 22,694 |
| Director of Legal and Planning Services | 1,156,342 | 1,071,173 | (85,169) |
| Housing – General Fund | 564,375 | 574,962 | 10,587 |
| Housing - HRA | 2,285,763 | 1,984,811 | (300,952) |
| Total | 8,526,293 | 8,132,562 | (393,731) |

Any overtime worked in respect of October (paid in November) is not included.

The budget figures above exclude the 3% vacancy rate target set for the General Fund when the 2018/19 budget was approved totalling £300,000 for 2018/19. The table above shows that the Council is currently not meeting the vacancy rate target.

The underspending to 31 October 2018 for the HRA will be offset by additional payments to sub-contractors to ensure that the delivery of services to tenants is maintained. The employee budgets will continue to be closely monitored during 2018/19.

Non-employee Expenditure Budget Variations

The most significant variations on non-employee budgets to 31 October 2018 are:

| Budget Heading | Approved Budget 2018/19 £ | Actual Spend 31/10/18 £ | Projected Outturn 2018/19 £ | Projected Variance 2018/19 £ | Comments |
|--|------------------------------------|----------------------------------|--------------------------------------|---------------------------------------|---|
| General Fund | | | | | |
| ICT Software Maintenance | 527,000 | 494,314 | 538,850 | 11,850 | Additional expenditure on Local Authority Data Sharing (LADS) Costs |
| ICT DWP Legislative Changes Income | 0 | (1,589) | (11,850) | (11,850) | Income from DWP for LADS costs |

| Housing Revenue Account | | | | | |
|--|----------|----------|----------|----------|---|
| Independent Living Service – TV Licences | 0 | 11,600 | 11,600 | 11,600 | There has been an expectation that TV licence costs be recharged to tenants. Over the past 4 years no recharges have been made. The costs incurred costs can no longer remain on the Balance Sheet and need to be charged to the HRA. |
| Choice Based Lettings – Contribution to other Local Authorities | 28,500 | 0 | 71,900 | 43,400 | Broxtowe Borough Council is part of a sub-regional partnership with Gedling BC and Rushcliffe BC and the local Registered Providers to deliver a Choice Based Lettings scheme. Income collected in 2017/18 should have been accrued to enable payment to partners in 2018/19. |
| Choice Based Lettings – Software Maintenance | 36,000 | 6,970 | 13,000 | (23,000) | Additional costs were incurred in 2017/18 resulting in a lower budget being required in 2018/19 than had been anticipated. |
| Choice Based Letting – Recharge of Software Maintenance to Other Local Authorities | (24,000) | 0 | 0 | 24,000 | The additional software maintenance costs in 2017/18 were recharged in that year. The reduced software maintenance expenditure in 2018/19 means that no recharge is required. |
| Choice Based Letting – Recharge of Software Maintenance to Housing Associations | (42,000) | (54,100) | (54,400) | (12,400) | Additional income will be received in 2018/19 based upon current Housing Association usage |

Income Budgets

The position to 31 October 2018 in respect of the most significant variable income budgets is as follows:

| Income | Annual Budget 2018/19 £ | Income to 31/10/2018 £ | Latest Projection 2018/19 £ | Projected Variance to Budget £ |
|-------------------------------|------------------------------------|-----------------------------------|--|---|
| Planning Fees | (580,000) | (323,791) | (580,000) | 0 |
| Pre-Planning & History Fees | (25,000) | (17,814) | (31,250) | (6,250) |
| Industrial Units Rent | (168,450) | (181,082) | (175,000) | (6,550) |
| Craft Centre Complex Rents | (32,500) | (30,646) | (35,200) | (2,700) |
| Garden Waste Income | (672,500) | (660,866) | (662,000) | 10,500 |
| Sale of Glass | (40,900) | (19,243) | (40,900) | 0 |
| Sale of Wheeled Bins | (29,750) | (11,649) | (18,450) | 11,300 |
| Recycling Credits - Glass | (90,000) | (41,742) | (90,000) | 0 |
| Trade Refuse Income | (555,000) | (565,952) | (585,000) | (30,000) |
| Special Collections Income | (65,500) | (36,764) | (65,500) | 0 |
| Recycling Credits - Bring | (20,000) | (6,342) | (16,000) | 4,000 |
| Parking P&D Income | (176,450) | (113,515) | (172,000) | 4,450 |
| Off Street PCN Income | (95,500) | 20,148 | (90,000) | 5,500 |
| Cemeteries – Fees and Charges | (191,200) | (97,501) | (191,200) | 0 |
| Miscellaneous Legal Charges | (30,000) | (11,408) | (22,000) | 8,000 |
| Land charges Income | (102,100) | (58,001) | (95,200) | 6,900 |
| Licence Income | (142,300) | (100,276) | (142,300) | 0 |
| Interest on Investments | (230,000) | (120,167) | (230,000) | 0 |
| Beeston Square Rent | (729,800) | (469,972) | (759,600) | (29,800) |
| General Properties Rent | (38,000) | (21,543) | (38,000) | 0 |
| Total | (4,014,950) | (2,868,127) | (4,039,600) | (24,650) |

Notes

- i) Income from planning fees in 2018/19 is anticipated to be in line with the budget as amended by Finance and Resources Committee on 11 October 2018.
- ii) Income from garden waste collections in 2018/19, whilst above that received in 2017/18, is expected to be less than the revised budget for the year.

- iii) Income from the sale of wheeled bins in 2018/19 is expected to be less than the £29,750 received in 2017/18.
- iv) Income from the collection of trade waste in 2018/19 is on target to significantly exceed the budget due to an increase in demand for the service.
- v) Income from parking fees and penalty charge notices in 2018/19 is presently expected to be slightly less than the budget.
- vi) Whilst income expected from miscellaneous legal fees in 2018/19 is not expected to achieve the budget, it should exceed the level of £12,600 received in 2017/18.
- vii) Income from land charges in 2018/19 is expected to be less than the budget due to a continued reduction in the demand for the service. This reflects the trend in recent years.
- viii) Income from the rent of properties in Beeston Square is presently expected to exceed the budget as a result of a reduction in the number of empty units and the decision to change the use of three residential units to offices.

Capital Programme

Capital programme expenditure as at 31 October 2018 is summarised as follows:

| | Approved Budget 2018/19 £ | Actual Spend to 31/10/2018 £ | Proportion of Budget Spent % |
|-------------------------|-------------------------------------|--|--|
| General Fund | 3,734,000 | 1,003,546 | 26.9 |
| Housing Revenue Account | 7,011,050 | 3,306,310 | 47.2 |
| TOTAL | 10,745,050 | 4,309,856 | 40.1 |

The table includes all capital schemes brought forward from 2017/18, as previously approved, in addition to any other budget changes made up to 31 October 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 General Fund capital programme includes schemes totalling £978,650 for which the approval to proceed will be granted once a source of funding has been identified. If these schemes were to be excluded from the table above then the proportion of the General Fund capital programme spent to 31 October 2018 would be 36.4% and the total proportion of budget spent would increase to 44.1%.

The most significant schemes with regards to spending to 31 October 2018 are:

| Scheme | Approved Budget 2018/19 | Actual Spend to 31/10/18 | Comments |
|---------------|--------------------------------|---------------------------------|-----------------|
|---------------|--------------------------------|---------------------------------|-----------------|

| | £ | £ | |
|--|-----------|---------|---|
| General Fund | | | |
| Replacement Vehicles and Plant | 223,000 | 228,743 | Orders have been raised for the items in the 2018/19 programme. |
| Beeston Square Phase2 (Net Compensation) | 111,300 | 248,810 | Additional expenditure shown will be met from the £539,800 in the 2018/19 capital programme for the Beeston Square Redevelopment. |
| Housing Revenue Account | | | |
| Central Heating Replacement | 1,267,200 | 858,227 | Work progressing as planned. |
| Modernisation Programme | 1,984,700 | 923,212 | Work progressing as planned. |