

# Report to Business & Transformation Scrutiny Panel

Agenda  
Item:

**A.4**

Meeting Date: 3 December 2019  
Portfolio: Finance, Governance and Resources  
Key Decision: No  
Within Policy and Budget Framework YES  
Public / Private Public

Title: REVENUE BUDGET OVERVIEW & MONITORING REPORT:  
APRIL TO SEPTEMBER 2019  
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES  
Report Number: RD 33/19

**Purpose / Summary:** This report provides an overview of the Council's General Fund revenue budgetary position for the period April to September 2019 which was considered by the Executive on 18 November 2019.

## Questions for / input required from Scrutiny:

Members are asked to note the variances contained within this report.

## Recommendations:

Members of the Business & Transformation Scrutiny Panel are asked to scrutinise the overall budgetary position for the period April to September 2019.

## Tracking

Executive:	<b>18 November 2019</b>
Scrutiny:	<b>3 December 2019</b>
Council:	<b>7 January 2020</b>

# Report to Executive

Agenda  
Item:

Meeting Date: 18 November 2019  
Portfolio: Finance, Governance and Resources  
Key Decision: No  
Within Policy and Budget Framework YES  
Public / Private Public

Title: REVENUE BUDGET OVERVIEW & MONITORING REPORT:  
APRIL TO SEPTEMBER 2019  
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES  
Report Number: RD 33/19

**Purpose / Summary:** This report provides an overview of the Council's overall budgetary position for the period April to September 2019 for revenue schemes only. The revenue report includes details of balance sheet management issues, bad debts written off in the period and progress against the transformation savings is also provided.

## Recommendations:

The Executive is asked to:

- (i) Note the budgetary performance position of the Council to September 2019;
- (ii) Note the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6;
- (iii) Note the release of reserves as set out in the table at paragraph 2.2, and note the virements approved as detailed in Appendix A;
- (iv) Make recommendations to Council to approve a virement of £734,100 from Business Rates Retention as a contribution towards Transformation Savings.

## Tracking

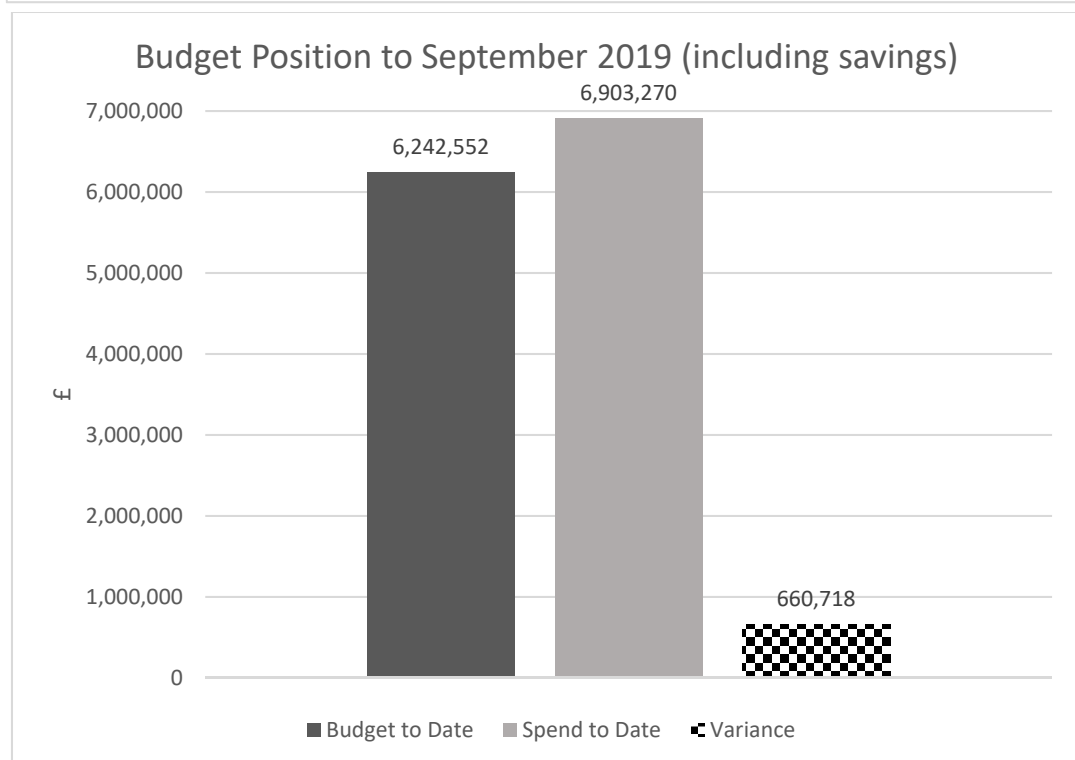
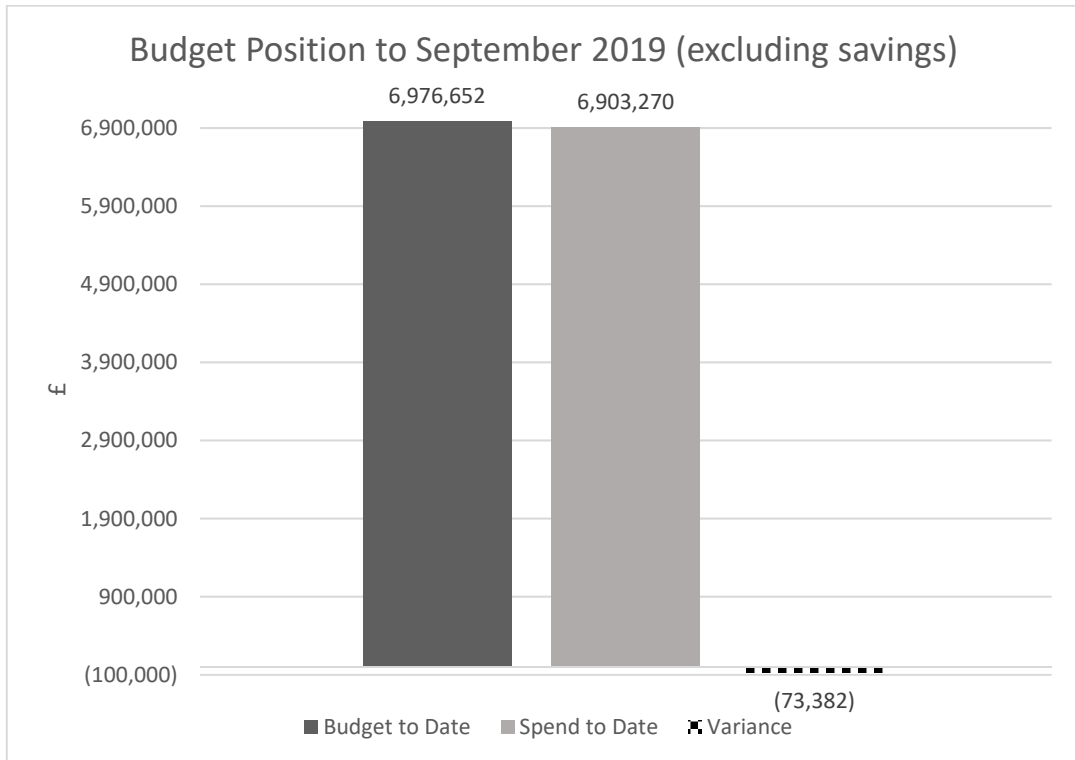
Executive:	<b>18 November 2019</b>
Scrutiny:	<b>3 December 2019</b>
Council:	<b>7 January 2020</b>

## **1. BACKGROUND INFORMATION AND OPTIONS**

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Corporate Director of Finance and Resources is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. Further details of virements processed can be found in **Appendix A**. It is the responsibility of individual Chief Officers to control income and expenditure within their service areas and to monitor performance, taking account of financial information provided by the Corporate Director of Finance and Resources.
- 1.2 All Managers currently receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision making process.
- 1.3 Please note that throughout this report:
  - (i) the use of a bracket represents a favourable position i.e. either an underspend or additional income received,
  - (ii) the term 'underspend' is taken to include both reduced expenditure and/or increased income,
  - (iii) the term 'overspend' includes both spending above budget and/or shortfall in income.

## 2. 2019/20 REVENUE BUDGET MONITORING

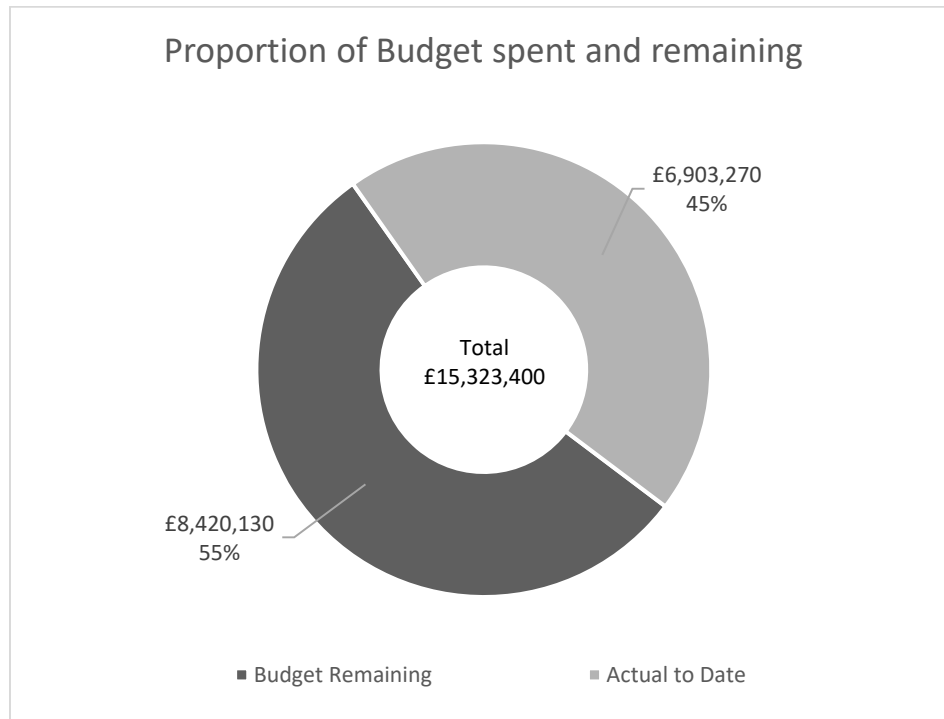
2.1 The budget position of the Council as at September 2019 is presented below:



2.2 The summarised revenue budgetary position as at September 2019 is shown below:

		Original Budget £	Updated Budget £	Net Budget to Date £	Net Spend to Date £	Variance £
Community Services	B1	8,523,900	10,147,800	4,023,930	4,116,477	92,547
Corporate Support	B2	3,081,500	1,596,200	433,645	368,434	(65,211)
Economic Development	B3	977,600	1,575,400	627,018	821,113	194,095
Finance and Resources	B4	3,331,200	1,683,600	666,048	340,227	(325,821)
Governance & Regulatory Services	B5	536,600	1,018,900	631,862	889,483	257,621
Corporate Management	B6	(2,095,700)	(698,500)	594,149	367,536	(226,613)
<b>Service Expenditure</b>		<b>14,355,100</b>	<b>15,323,400</b>	<b>6,976,652</b>	<b>6,903,270</b>	<b>(73,382)</b>
Transformation & Base Budget Savings		(734,100)	(734,100)	(734,100)	0	734,100
<b>Service Expenditure</b>		<b>13,621,000</b>	<b>14,589,300</b>	<b>6,242,552</b>	<b>6,903,270</b>	<b>660,718</b>
Parish Precepts		637,600	637,600	637,600	637,394	(206)
<b>Total</b>		<b>14,258,600</b>	<b>15,226,900</b>	<b>6,880,152</b>	<b>7,540,664</b>	<b>660,512</b>
<b>Transfers to/(from) Reserves</b>						
Transformation Reserve		(152,100)	(152,100)			
Welfare Reform Reserve		(200,000)	(200,000)			
Asset Investment Reserve		(47,600)	(47,600)			
Revenues and Benefits Reserve		(338,400)	(338,400)			
Building Control Reserve		0	(36,900)			
Cremator Replacement Reserve		0	44,800			
Carry Forward Reserve		47,600	18,800			
Revenue Grants Reserve		0	(274,500)			
General Fund Reserve		(558,600)	(965,300)			
Planning Services Reserve		0	37,700			
GLL Reserve		0	(273,000)			
Flood Reserve		0	(30,900)			
<b>Total Transfer to/(from) Reserves</b>		<b>(1,249,100)</b>	<b>(2,217,400)</b>	<b>(375,402)</b>	<b>(3,450)</b>	<b>371,952</b>
Financed by:						
Precept from Collection Fund		(7,870,700)	(7,870,700)	(3,935,350)	(3,935,362)	(12)
Business Rate Retention		(5,138,800)	(5,138,800)	(2,569,400)	(3,601,852)	(1,032,452)
<b>Total Grants</b>		<b>(13,009,500)</b>	<b>(13,009,500)</b>	<b>(6,504,750)</b>	<b>(7,537,214)</b>	<b>(1,032,464)</b>
<b>Total</b>		<b>(14,258,600)</b>	<b>(15,226,900)</b>	<b>(6,880,152)</b>	<b>(7,540,664)</b>	<b>(660,512)</b>

2.3 The amount of the overall budget spent by September is as follows:



2.4 Further details for each directorate can be found in **Appendices B1 – B6**. Each appendix shows a breakdown of the variances for the Directorate, with comments and a note of any performance issues. The main variances are also summarised in the table below.

Budget Area		Underspend £	Overspend £
Recycling & Waste Management Savings	B1	0	25,500
Recycling & Waste Management Income	B1	0	76,091
Bereavement Services	B1	(34,917)	0
Special Events	B1	0	39,980
Car Parking Income	B1	0	60,162
Revenues and Benefits	B2	(79,214)	0
Business Interaction Centre	B3	0	55,251
Development Control Fee Income	B3	0	182,419
Building Control Income	B3	(39,807)	0
Loan Interest (including new borrowing)	B4	(284,919)	0
Investment Interest	B4	0	42,953
Insurance Premiums	B4	(76,334)	0
Legal Services	B5	0	47,000
Homeless Accommodation	B5	0	103,081
Lanes Rent	B5	0	162,897
Other Rental Properties Income	B5	0	40,234
Chancerygate	B5	0	20,429
Regulatory Services	B5	(136,728)	0
Salary Turnover Savings	B6	(202,782)	0

2.5 Some of the **significant** service expenditure and income variances are set out below:

- A shortfall in Waste Services towards the savings required from revenue to fund the capital costs of replacement vehicles. This will be accommodated from within existing base budgets.
- A shortfall from income from the sale of recyclates due to a fall in the price of plastic.
- A net underspend in Bereavement Services due to increased cremation fee income received.
- A shortfall in Special Events income from lamp post and digital banner advertising. The income targets are currently unachievable, and a budget pressure has been highlighted as part of the 2020/21 budget process.
- A shortfall in car parking income from tickets, permits and penalty charge notices. The reduction in income across our car parks is being analysed year on year and month by month to understand the reasons behind the reduction in income to identify any actions that may be needed to mitigate any pressures on income by year-end.
- A net underspend in Revenues and Benefits due to underspends on printing costs and legal fees and additional government grants received.
- A net overspend at the Business Interaction Centre due to a shortfall in income and there being no budgets identified to fund the monthly running costs.
- A shortfall from Development Control fee income due to slower progression on new sites and construction slowing down. Income in the first half of 2019/20 is lower than the income in the first half of 2018/19. The position is being closely monitored.
- Surplus income from fees and charges in Building Control.
- A saving from interest on borrowing due to the level and rate of new borrowing arrangements entered into and the date the new arrangements commenced.
- A shortfall in investment interest. It is expected this position will improve during the remainder of the financial year as the monies received from the new borrowing will be invested until they are required to fund the expenditure on capital projects.
- Underspend relating to reduced insurance premiums as a result of the retender exercise.
- An overspend on Legal Services employee costs and a shortfall from Land Charges fee income.
- An overspend of £49,754 on expenditure on Homeless Accommodation mainly relating to a shortfall in savings required to offset the loss of the supporting people funding. Also, a shortfall in income of £53,327 due to some units being vacant for refurbishment.

- A shortfall in Lanes rental to date. Anticipated shortfall at year end is expected to be around £325,000 due to current market conditions as there remains great uncertainty in the high street with few active enquiries and where any new lettings are agreed, these are often on short-term flexible agreements that do not produce significant and certain rental receipts.
- Shortfall in rental income from Other Properties mainly from vacant properties that are being considered for disposal. Further pressures are expected due to vacant units and downward rent review, which will need to be carefully monitored during the year.
- An overspend on expenditure relating to the Chancerygate contract. Recurring budgets will be established from upward rent reviews and any remaining overspend at the year end will be funded from balances held within the Revenue Carry Forward Reserve.
- A net underspend in Regulatory Services due to increased levels of Licence fee income, HMO registration fee income and Home Improvement fee income. Civil Penalties income has also been received and is intended to be utilised in part to enhance the stock condition survey.
- Additional salary turnover savings achieved against the budget.

2.6 A subjective analysis of the summarised budgetary position excluding flood related items as at September is shown in **Appendix C**.

2.7 The following table shows the position as at September 2019 of savings achieved against the transformation savings targets to date.

Savings Target	Target (£)	Achieved (£)	(Overachieved) /Outstanding (£)
Up to & including 2016/17	23,000	0	23,000
Previous Year Target	706,300	44,000	662,300
<b>Net Recurring Position</b>	<b>729,300</b>	<b>44,000</b>	<b>685,300</b>
Base Budget Review	107,800	59,000	48,800
<b>Net Recurring position 2019/20</b>	<b>837,100</b>	<b>103,000</b>	<b>734,100</b>
To be found from 2020/21 onwards	400,000	4,500	395,500
<b>Total Net Recurring position 2020/21</b>	<b>1,237,100</b>	<b>107,500</b>	<b>1,129,600</b>

2.8 Based upon current projections, and as discussed further in this report at paragraph 4.3, the Council is expecting to benefit from Business Rate growth from being part of the Cumbria Business Rates Pool. The position for quarter 2 2019/20 is estimated to be £1,032,452 greater than the budgeted figure however, this is still

subject to variability from pooling contributions and the performance of the other partners in the Cumbria Pool. There is also variability in the amount of reliefs that are granted that affect the amount of reimbursement from central government. A clearer picture of the projections for retained rating income will be known further into the year. It is proposed that any over achievement of retained rating income should be vired to offset the outstanding savings required for 2019/20 (£734,100).

- 2.9 The recurring savings target will continue to be monitored closely during the year with a zero-base budget exercise, as part of the overall Savings Strategy, commencing during 2019/20 to fundamentally review all base budgets; however, there may be a potential requirement to temporarily utilise reserves in the short term.

### **3. FORECAST OUTTURN POSITION 2019/20**

- 3.1 The Council's financial position is affected by a number of external factors that have a financial impact during the course of the year and ultimately at the year end. These include:
- The general effect of local economic activity on the Council's income streams e.g. car parking, tourism and leisure activities, and property rentals especially in relation to the retail sector.
  - Fuel prices, energy costs and other inflationary issues.
  - The effects of the housing market and property prices, especially with regard to income from land charges, rents and building and development control.
  - The impact of any delay to the Spending Review, the Fair Funding Review and Business Rates Retention Review.
- 3.2 The Council's financial position will continue to be closely monitored and likely year end position will be reported more fully in a future monitoring report. It will be important to maintain a prudent approach to ensure a sustainable position for future years to avoid any significant variance at year end.
- 3.3 The areas of significant variance noted in this report will also be scrutinised fully and incorporated into the 2020/21 budget process if the position is deemed to be recurring in nature.

### **4. FUNDING**

- 4.1 The main sources of funding for the Council are Council Tax Income and Business Rates income. Council Tax income does not vary in year from the amounts set at the budget, as any variation in Council Tax income received is adjusted in the Collection Fund Surplus/Deficit calculation for the following year's budget.

- 4.2 Business Rates Income is largely prescribed by the amounts submitted to MHCLG on the NNDR1 form which estimates Business Rate Income for the year when calculated in January, however, there are two elements of this income that can vary throughout the year, namely, section 31 grants paid by government for business rates reliefs granted, and the levy and pooling calculations to the Cumbria Pool.
- 4.3 The current estimates of Business Rates income for the quarter to the end of September compared to initial estimates submitted in January are shown in **Appendix D**.

The figures show that based on current estimates, the Council may receive an extra £1,032,452 in business rates income over and above what it has budgeted for. However, this position could change throughout the year depending upon the performance of other authorities in the Cumbria Pool and the amount of reliefs granted during the year that are subject to Section 31 Grant reimbursement.

## **5. BALANCE SHEET MANAGEMENT**

- 5.1 In line with CIPFA guidance and good practice, information relating to significant items on the Council's balance sheet is shown below. The information concentrates on those items that may have a material impact on the Council if not reviewed on a regular basis.

Balance Sheet item	Balance at 31/03/2019	Balance at Sep 2019	Note
Investments	£19.5m	£36.4m	(i)
Loans	£15.0m	£29.0m	(ii)
Debtors System	£1.06m	£1.80m	(iii)
Creditors System	£0.002m	£0.150m	

- (i) The anticipated annual return on these investments is estimated at £442,900 for 2019/20 with current forecasts anticipated to be slightly below these projections. Further details on the overall Treasury Management performance can be found elsewhere on the agenda.
- (ii) The cost of managing this debt, in terms of interest payable, is budgeted at £2,021,700 in 2019/20 with costs currently below target due to the level and rate of new borrowing arrangements entered into.
- (iii) There may be a significant impact on the cash flow of the Council if outstanding debts are not received. Any debts deemed to be irrecoverable are written off against a bad debt provision set up specifically for this purpose.

Other significant debts relate to Council Tax, NNDR, and Housing Benefit overpayments.

- (iv) The Council's VAT partial exemption calculation for the period ending September 2019 has been calculated and, at 2.66%, is well below the 5% limit set by HMRC. However, this will increase as expenditure is incurred on the capital programme especially on VAT exempt activities i.e. Civic Centre reinstatement.

## **6. BAD DEBT WRITE-OFFS**

- 6.1 The Corporate Director of Finance and Resources has delegated authority for the write-off of outstanding debts for NNDR, Council Tax and Debtors (including Penalty Charge Notices). In accordance with this, the Executive is asked to note that debts totalling £227,660.52 have been written off during Quarter 2 to the end of September 2019. A summary of bad debts is given in Table 1 in **Appendix E** of this report and these costs will fall against the following:

	£
General Fund	3,048.71
Council Tax (Collection Fund)	19,295.22
NNDR	205,316.59
Total Write-offs	227,660.52

- 6.2 The "write-ons" itemised in Table 2 in **Appendix E**, totalling £10,947.87, are in respect of balances originally written off that have since been paid. The write-ons will be credited as follows:

	£
General Fund	0.09
Council Tax (Collection Fund)	544.02
NNDR	10,403.76
Total Write-ons	10,947.87

- 6.3 In the case of the General Fund, the write-offs will be charged against provisions for bad debts. However VAT, which has been identified separately, will be recouped in future VAT returns. Any write-off/write-on of Council Tax/NNDR will fall against the provisions within the Collection Fund. Any Council Tax court costs written off will be charged against the Bad Debt Provision within the General Fund.
- 6.4 At this stage of the year, the level of bad debts is broadly in line with expectations and at this level will be within the scope of the current provisions to fund the bad

debts. However, this situation is continuously under review and any major deviations will be the subject of future reports.

## **7. RISKS**

- 7.1 The ongoing impact of issues identified will be monitored carefully in budget monitoring reports and appropriate action taken.

## **8. CONSULTATION**

- 8.1 Consultation to date.  
SMT and JMT have considered the issues raised in this report.
- 8.2 Consultation Proposed  
Business and Transformation Scrutiny Panel will consider the report on 3 December 2019.

## **9. CONCLUSION AND REASONS FOR RECOMMENDATIONS**

- 9.1 The Executive is asked to:
- (i) Note the budgetary performance position of the Council to September 2019;
  - (ii) Note the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6;
  - (iii) Note the release of reserves as set out in the table at paragraph 2.2, and note the virements approved as detailed in Appendix A;
  - (iv) Make recommendations to Council to approve a virement of £734,100 from Business Rates Retention as a contribution towards Transformation Savings.

## **10. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

- 10.1 The Council's revenue budget is set in accordance with the priorities of the Carlisle Plan and the position for the second quarter of 2019/20 shows the delivery of these priorities within budget.

**Contact Officer: Emma Gillespie**

**Ext: 7289**

**Appendices A, B1 to B6, C to E.**  
**attached to report:**

**Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:**

- None

**CORPORATE IMPLICATIONS:**

**LEGAL** – The Council has a fiduciary duty to manage its finances properly and the proper reporting of the budget monitoring is part of this process.

**FINANCE** – Financial implications are contained within the main body of the report.

**EQUALITY** – This report raises no explicit issues relating to the public sector Equality Duty.

**INFORMATION GOVERNANCE** – There are no information governance implications.

## REVENUE BUDGET MONITORING 2019/20

## VIREMENTS PROCESSED FOR PERIOD APRIL TO SEPTEMBER 2019

Date	Virement Details	Recurring/ Non-recurring	Value	Authorised By
<b>Requested by Officers (under £35,000 or delegated authority)</b>				
02/08/2019	Release of funding from Revenue Grants Reserve for Green Spaces arboriculture	Non-recurring	15,000	Corporate Director of Finance and Resources
06/08/2019; 06/09/2019; 07/10/2019	Release of funding from Revenue Grant Reserve for Rogue Landlord Officer	Non-recurring	13,700	Corporate Director of Finance and Resources
06/08/2019; 06/09/2019	Release of funding from Revenue Grant Reserve for Homelife	Non-recurring	2,600	Corporate Director of Finance and Resources
08/08/2019	Release of funding from Revenue Grant Reserve for Healthy Cities	Non-recurring	10,900	Corporate Director of Finance and Resources
21/08/2019	Release of funding from Revenue Grant Reserve for Low Carbon Carlisle	Non-recurring	26,000	Corporate Director of Finance and Resources
27/08/2019	Release of funding from Flood Reserve to fund the installation of a Qmatic system	Non-recurring	7,000	Corporate Director of Finance and Resources (OD.067/19)
02/09/2019	Provision of budget for external cleaning costs at the Old Fire Station	Recurring	9,800	Corporate Director of Governance and Regulatory Services
06/09/2019	Release of funding from Revenue Grant Reserve for Play Areas	Non-recurring	4,000	Corporate Director of Finance and Resources
06/09/2019	Release of funding from Revenue Grant Reserve for Conservation work	Non-recurring	4,300	Corporate Director of Finance and Resources
02/09/2019	Release of the Land Charges Provision	Non-recurring	25,000	Corporate Director of Governance and Regulatory Services
13/09/2019	Release of funding from Flood Reserve to fund fencing at Bitts Park Tennis Courts	Non-recurring	23,900	Corporate Director of Finance and Resources (OD.075/19)
07/10/2019	Release of funding from Revenue Grant Reserve for Supporting People	Non-recurring	600	Corporate Director of Finance and Resources
07/10/2019	Release of funding from Revenue Grant Reserve for Domestic Abuse Victim Support	Non-recurring	200	Corporate Director of Finance and Resources
<b>Approved by Executive (£35,000 to £70,000 or delegated authority)</b>				
<b>Approved by Council (over £70,000)</b>				

## REVENUE BUDGET MONITORING 2019/20

COMMUNITY SERVICES	Gross Expenditure	Gross Income	Recharges	Total
Position as at 27 September 2019	£	£	£	£
Annual Budget	18,863,300	(5,965,200)	(2,750,300)	<b>10,147,800</b>
Budget to date	8,764,725	(3,151,284)	(1,589,511)	<b>4,023,930</b>
Total Actual	8,727,330	(3,018,658)	(1,592,195)	<b>4,116,477</b>
<b>Variance</b>	<b>(37,395)</b>	<b>132,626</b>	<b>(2,684)</b>	<b>92,547</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>(37,395)</b>	<b>132,626</b>	<b>(2,684)</b>	<b>92,547</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Bereavement Services	1	(444)	(34,534)	61	<b>(34,917)</b>
Car Parking	2	(4,425)	57,556	23	<b>53,154</b>
Special Events	3	(443)	40,423	0	<b>39,980</b>
Recycling and Waste Services	4	22,707	76,091	(4,260)	<b>94,538</b>
Miscellaneous	5	(54,790)	(6,910)	1,492	<b>(60,208)</b>
<b>Total Variance to date</b>		<b>(37,395)</b>	<b>132,626</b>	<b>(2,684)</b>	<b>92,547</b>

Note	Community Services - Comments
1.	A net underspend due to increased cremation fee income received.
2.	Shortfall in ticket income, contract income and penalty charge notice income. Officers are looking into the reduction in income across our car parks to identify any actions that may be needed to mitigate any pressures on income by the year-
3.	Shortfall in income from lamp post and digital banner advertising. The income targets are currently unachievable and a budget pressure has been highlighted as part of the 2020/21 budget process.
4.	Budget shortfall of £25,500 towards the capital costs of replacement vehicles; shortfall in income from sale of recyclates due to a fall in the price of plastic.
5.	Minor underspends and surplus income across other services within the Directorate.

## REVENUE BUDGET MONITORING 2019/20

CORPORATE SUPPORT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 27 September 2019	£	£	£	£
Annual Budget	6,616,400	(1,438,900)	(3,581,300)	<b>1,596,200</b>
Budget to date	3,363,720	(1,138,709)	(1,791,366)	<b>433,645</b>
Total Actual	3,344,146	(1,185,087)	(1,790,625)	<b>368,434</b>
<b>Variance</b>	<b>(19,574)</b>	<b>(46,378)</b>	<b>741</b>	<b>(65,211)</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>(19,574)</b>	<b>(46,378)</b>	<b>741</b>	<b>(65,211)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Revenues and Benefits	1	(33,735)	(45,548)	69	<b>(79,214)</b>
Miscellaneous	2	14,161	(830)	672	<b>14,003</b>
<b>Total Variance to date</b>		<b>(19,574)</b>	<b>(46,378)</b>	<b>741</b>	<b>(65,211)</b>

Note	Corporate Support - Comments
1.	Various minor underspend where costs are anticipated to now come in during quarter 4; additional government grants received. Cost of resources will increase from quarter 3 onwards.
2.	Minor overspends and surplus income across other services within the Directorate.

## REVENUE BUDGET MONITORING 2019/20

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 27 September 2019	£	£	£	£
Annual Budget	3,962,600	(1,646,500)	(740,700)	<b>1,575,400</b>
Budget to date	1,958,477	(960,959)	(370,500)	<b>627,018</b>
Total Actual	1,989,760	(798,297)	(370,350)	<b>821,113</b>
<b>Variance</b>	<b>31,283</b>	<b>162,662</b>	<b>150</b>	<b>194,095</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>31,283</b>	<b>162,662</b>	<b>150</b>	<b>194,095</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Business Interaction Centre	1	43,931	11,320	0	<b>55,251</b>
Development Control	2	5,743	182,419	0	<b>188,162</b>
Building Control	3	(11,782)	(39,807)	0	<b>(51,589)</b>
Miscellaneous	4	(6,609)	8,730	150	<b>2,271</b>
<b>Total Variance to date</b>		<b>31,283</b>	<b>162,662</b>	<b>150</b>	<b>194,095</b>

Note	Economic Development - Comments
1.	Overspend on monthly running costs which do not have budgets identified; shortfall in income.
2.	Overspend on scanning expenditure and software maintenance as a result of digitising and improvements to planning information; shortfall in fee income due to slower progression on new sites and construction slowing down.
3.	Underspend on salary expenditure; increased fee income received.
4.	Minor underspends and shortfall in income across other services within the Directorate.

## REVENUE BUDGET MONITORING 2019/20

FINANCE AND RESOURCES	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 27 September 2019	£	£	£	£
Annual Budget	28,122,300	(23,218,900)	(3,219,800)	<b>1,683,600</b>
Budget to date	13,433,843	(10,800,300)	(1,967,495)	<b>666,048</b>
Total Actual	13,099,170	(10,790,885)	(1,968,058)	<b>340,227</b>
<b>Variance</b>	<b>(334,673)</b>	<b>9,415</b>	<b>(563)</b>	<b>(325,821)</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>(334,673)</b>	<b>9,415</b>	<b>(563)</b>	<b>(325,821)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Treasury and Debt Management	1	(278,760)	42,953	0	<b>(235,807)</b>
Insurance	2	(76,413)	0	79	<b>(76,334)</b>
Miscellaneous	3	20,500	(33,538)	(642)	<b>(13,680)</b>
<b>Total Variance to date</b>		<b>(334,673)</b>	<b>9,415</b>	<b>(563)</b>	<b>(325,821)</b>

Note	Finance and Resources - Comments
1.	Savings on borrowing costs due to the level and rate of new borrowing arrangements entered into and the date new arrangements commenced; under achieved market deposit investment interest.
2.	Underspend relating to reduced insurance premiums from the recent tender process.
3.	Minor overspends and surplus income across other services within the Directorate.

## REVENUE BUDGET MONITORING 2019/20

GOVERNANCE AND REGULATORY	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 27 September 2019	£	£	£	£
Annual Budget	10,453,800	(6,115,800)	(3,319,100)	<b>1,018,900</b>
Budget to date	5,527,064	(3,232,994)	(1,662,208)	<b>631,862</b>
Total Actual	5,657,554	(3,106,782)	(1,661,289)	<b>889,483</b>
<b>Variance</b>	<b>130,490</b>	<b>126,212</b>	<b>919</b>	<b>257,621</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>130,490</b>	<b>126,212</b>	<b>919</b>	<b>257,621</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Legal Services	1	32,432	14,450	118	<b>47,000</b>
The Lanes	2	(3)	162,897	0	<b>162,894</b>
Other Rental Properties	3	18,966	40,234	0	<b>59,200</b>
Chancerygate	4	20,429	0	0	<b>20,429</b>
Homeless Accommodation	5	49,754	53,327	0	<b>103,081</b>
Regulatory Services	6	(6,982)	(128,870)	(876)	<b>(136,728)</b>
Miscellaneous	7	15,894	(15,826)	1,677	<b>1,745</b>
<b>Total Variance to date</b>		<b>130,490</b>	<b>126,212</b>	<b>919</b>	<b>257,621</b>

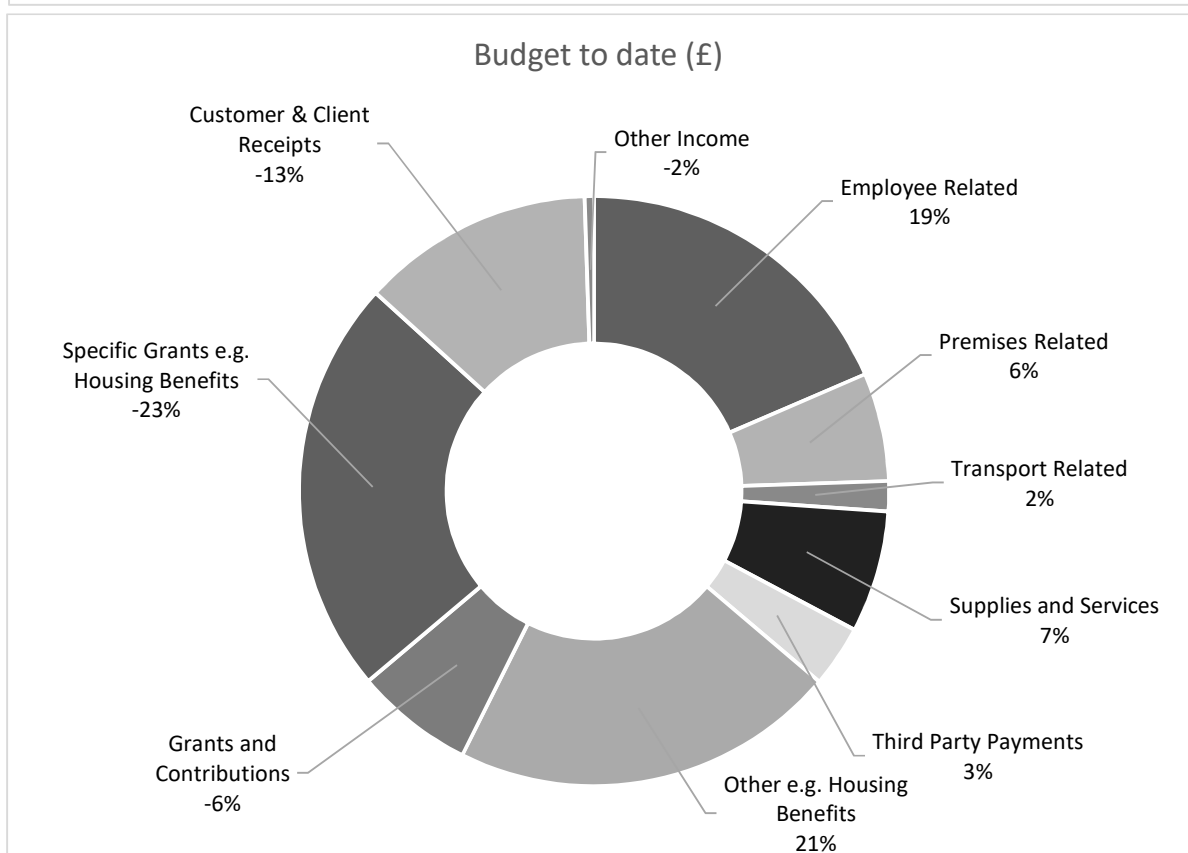
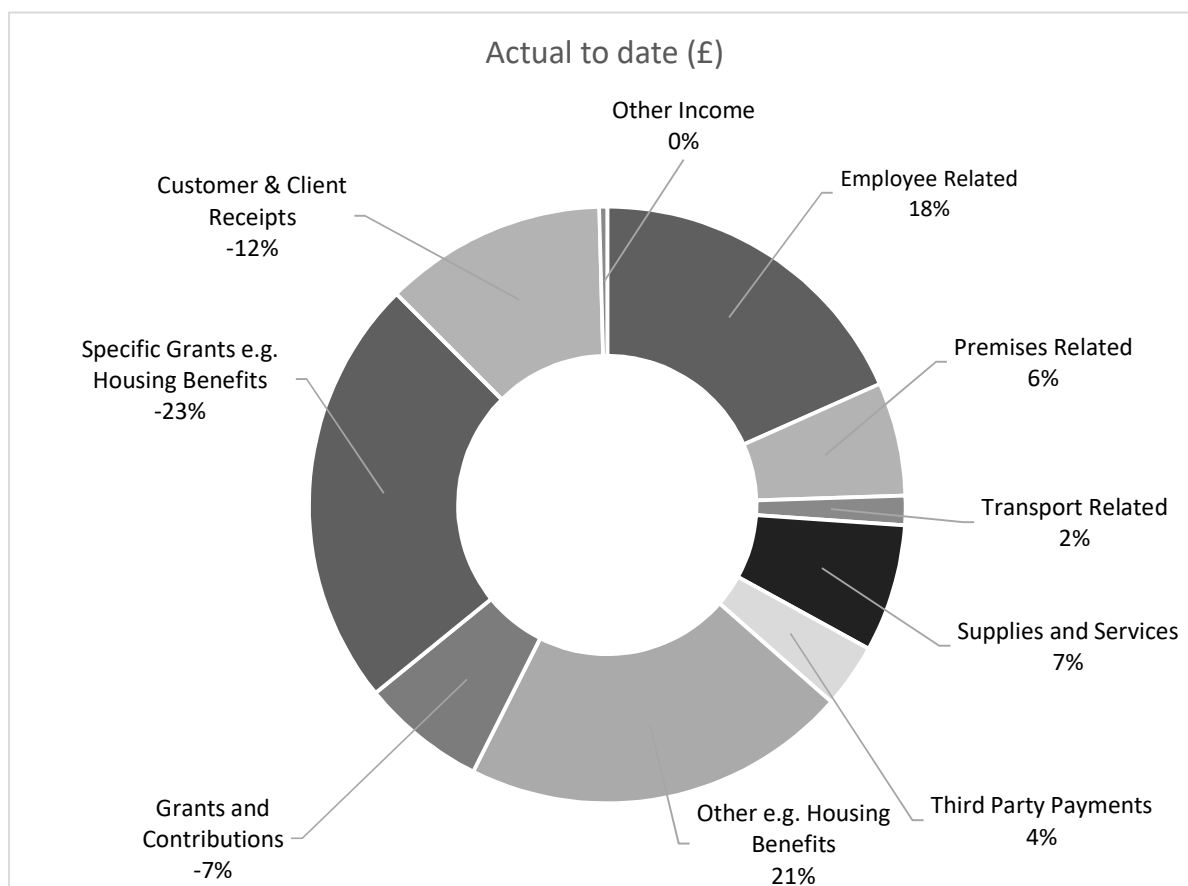
Note	Governance & Regulatory Services - Comments
1.	Overspend on employee costs; shortfall in Land Charges fee income.
2.	Shortfall in rent income for 2019/20. Annual deficit of £325,300 projected.
3.	Overspend on surveyor fees and energy costs; Shortfall in rental income due to vacant properties. Additional pressures are anticipated due to downward rent reviews.
4.	Overspend on Chancerygate costs. Recurring budget will be established from any increased rental income as a result of rent reviews. Any remaining overspend at the year end will be funded from balances held within the Revenue Carry Forward Reserve.
5.	Shortfall on budget savings required due to the loss of Supporting People funding; shortfall in income due to units being vacant for refurbishment.
6.	Minor underspends on supplies and services; Additional licence income, HMO fee income and Home Improvement Agency fee income received.
7.	Minor underspends and surplus income across other services within the Directorate.

## REVENUE BUDGET MONITORING 2019/20

CORPORATE MANAGEMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 27 September 2019	£	£	£	£
Annual Budget	1,128,300	(1,826,800)	0	(698,500)
Budget to date	1,489,903	(895,754)	0	594,149
Total Actual	1,289,735	(922,199)	0	367,536
<b>Variance</b>	<b>(200,168)</b>	<b>(26,445)</b>	<b>0</b>	<b>(226,613)</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>(200,168)</b>	<b>(26,445)</b>	<b>0</b>	<b>(226,613)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Other Financial Costs	1	(197,586)	(26,444)	0	(224,030)
Direct Revenue Financing	1	0	0	0	0
Miscellaneous	2	(2,582)	(1)	0	(2,583)
<b>Total Variance to date</b>		<b>(200,168)</b>	<b>(26,445)</b>	<b>0</b>	<b>(226,613)</b>

Note	Corporate - Comments
1.	Improvements in savings for Salary Turnover (£202,782). Additional government grants received.
2.	Minor underspends across other services within the Directorate.

**SUBJECTIVE ANALYSIS**

**BUSINESS RATES INCOME**

	2018/19 Outturn	2019/20 NNDR1	2019/20 Q1
Local Share of Income (Per NNDR1)	(16,305,689)	(16,465,732)	(16,580,578)
Renewables (Per NNDR1)	(264,957)	(355,377)	(352,625)
Renewables Bfwd (NNDR3 Previous Year)	(250,585)	(54,492)	(54,492)
Enterprise Zone (Per NNDR1)	28,315	0	0
Tariff (Per Final Settlement)	12,090,274	12,367,342	12,367,342
Section 31 Grants (reimbursement of funded reliefs)	(1,516,801)	(2,062,020)	(1,905,547)
Section 31 Grants (Flooding)	(83,869)	0	0
Estimated Collection Fund Deficit per NNDR1	835,515	(180,118)	(180,118)
Levy Account Surplus	(4,681)	0	0
Levy Payable to Pool	1,031,049	1,360,000	1,234,766
Pool Redistribution	(624,035)	(610,000)	(700,000)
<b>Total Income</b>	<b>(5,065,464)</b>	<b>(6,000,397)</b>	<b>(6,171,252)</b>
<b>Budget</b>			
Baseline Funding	(3,281,700)	(3,388,600)	(3,388,600)
Additional Rates Income - Pooling/Growth	(1,650,000)	(1,750,200)	(1,750,200)
<b>Total Budget</b>	<b>(4,931,700)</b>	<b>(5,138,800)</b>	<b>(5,138,800)</b>
<b>Additional Income retained</b>	<b>(133,764)</b>	<b>(861,597)</b>	<b>(1,032,452)</b>

**BAD DEBT PROVISION**

TABLE 1		Write-Offs September 2019		Comments
Type of Debt	No.	£		
NNDR (General)	12	205,316.59	01/07/19 to 27/09/19	
Council Tax	30	19,295.22	01/07/19 to 27/09/19	
Debtors:				
Private Tenants	0	0.00	01/07/19 to 27/09/19	
Housing Benefit Overpayments	0	0.00	01/07/19 to 27/09/19	
General Fund	10	2,550.71	01/07/19 to 27/09/19	
Penalty Charge Notices:				
On Street	0	0.00	01/07/19 to 27/09/19	
Off Street	6	498.00	01/07/19 to 27/09/19	
TOTAL	58	227,660.52		
TABLE 2		Write-Ons September 2019		Comments
Type of Debt		£		
NNDR (General)	9	10,403.76	01/07/19 to 27/09/19	
Council Tax	6	544.02	01/07/19 to 27/09/19	
Debtors:				
Private Tenants	0	0.00	01/07/19 to 27/09/19	
Housing Benefit Overpayments	0	0.00	01/07/19 to 27/09/19	
General Fund	1	0.09	01/07/19 to 27/09/19	
TOTAL	16	10,947.87		