

Report to Business & Transformation Scrutiny Panel

Agenda
Item:
A.3

Meeting Date: 13 February 2020
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 DECEMBER 2019
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD 51/19

Purpose / Summary: This report provides an overview of the Council's General Fund revenue budgetary position for the period April to December 2019 which was considered by the Executive on 10 February 2020.

Questions for / input required from Scrutiny:

Members are asked to scrutinise 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 December 2019.

Tracking

Executive:	10 February 2020
Scrutiny:	13 February 2020
Council:	Not applicable

Report to Executive

Agenda
Item:

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Within Policy and Budget Framework YES
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Title: REVENUE BUDGET OVERVIEW & MONITORING REPORT:
APRIL TO DECEMBER 2019
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD 51/19

Purpose / Summary: This report provides an overview of the Council's overall budgetary position for the period April to December 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 December 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.

Tracking

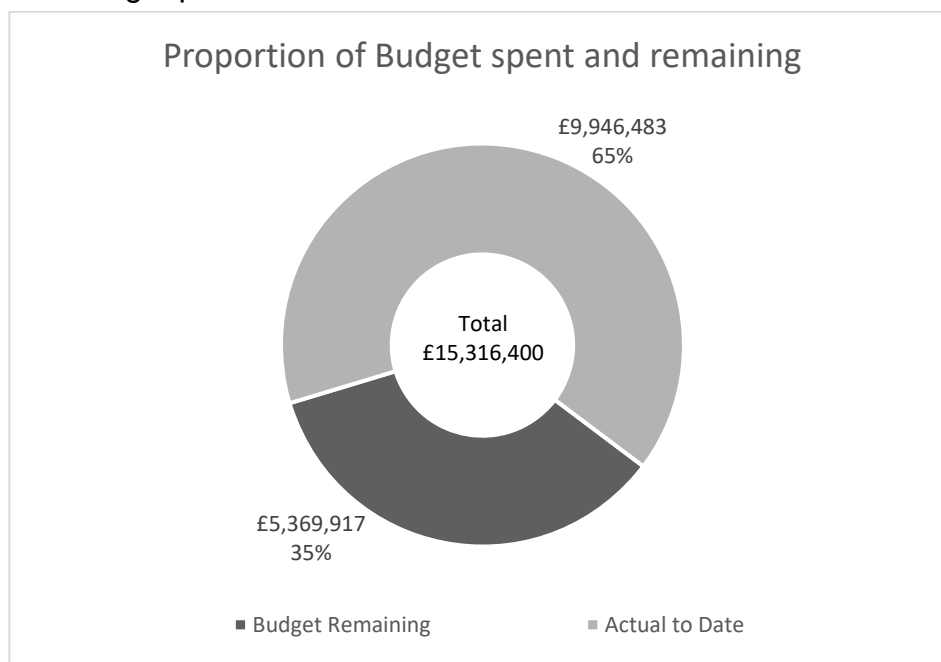
Executive:	10 February 2020
Scrutiny:	13 February 2020
Council:	Not applicable

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 December 2019 is as follows:



2.2 The summarised revenue budgetary position as at December 2019 is shown in the following table:

		Original Budget £	Updated Budget £	Net Budget to Date £	Net Spend to Date £	Variance £
Community Services	B1	8,523,900	10,032,200	7,613,379	7,891,482	278,103
Corporate Support	B2	3,081,500	1,523,900	1,024,602	940,524	(84,078)
Economic Development	B3	977,600	1,579,400	957,285	1,264,942	307,657
Finance and Resources	B4	3,331,200	1,656,100	1,436,506	929,153	(507,353)
Governance & Regulatory Services	B5	536,600	1,037,800	762,331	1,098,903	336,572
Corporate Management	B6	(2,095,700)	(513,000)	(1,918,970)	(2,178,521)	(259,551)
Service Expenditure		14,355,100	15,316,400	9,875,133	9,946,483	71,350
Transformation & Base Budget Savings		(734,100)	0	0	0	0
Service Expenditure		13,621,000	15,316,400	9,875,133	9,946,483	71,350
Parish Precepts		637,600	637,600	637,600	637,394	(206)
Total		14,258,600	15,954,000	10,512,733	10,583,877	71,144
Transfers to/(from) Reserves						
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	(46,400)			
Cremator Replacement Reserve		0	68,600			
Carry Forward Reserve		47,600	18,800			
Revenue Grants Reserve		0	(304,300)			
General Fund Reserve		(558,600)	(965,300)			
Planning Services Reserve		0	60,200			
GLL Reserve		0	(273,000)			
Flood Reserve		0	(30,900)			
Total Transfer to/(from) Reserves		(1,249,100)	(2,210,400)	(205,033)	22,193	227,226
Financed by:						
Precept from Collection Fund		(7,870,700)	(7,870,700)	(5,903,025)	(5,903,043)	(18)
Business Rate Retention		(5,138,800)	(5,872,900)	(4,404,675)	(4,703,027)	(298,352)
Total Grants		(13,009,500)	(13,743,600)	(10,307,700)	(10,606,070)	(298,370)
Total		(14,258,600)	(15,954,000)	(10,512,733)	(10,583,877)	(71,144)

2.3 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	146,338
Special Events	B1	0	56,103
Car Parking Income	B1	0	97,650
Revenues and Benefits	B2	(68,047)	0
Business Interaction Centre	B3	0	59,423
Development Control Fee Income	B3	0	191,363
Loan Interest (including new borrowing)	B4	(427,213)	0
Insurance Premiums	B4	(72,941)	0
Legal Services	B5	0	70,262
Homeless Accommodation	B5	0	129,798
Lanes Rent	B5	0	244,099
Civic Centre	B5	0	67,821
Enterprise Centre	B5	(37,977)	0
Other Rental Properties Income	B5	0	98,958
Regulatory Services	B5	(183,701)	0
Salary Turnover Savings	B6	(221,936)	0

2.4 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 and a shortfall in income from Garden Waste.
- A shortfall in Special Events income from lamp post and digital banner advertising. The income targets are currently unachievable.
- 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 to the end of December 2019

is considerably lower than the income received to the end of December 2018. The position is being closely monitored.

- 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.
- An 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 £87,094 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 £42,704 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. However, the 2018/19 Head Rent reconciliations are currently being reconciled which may result in an additional payment to the Council and reduce the projected shortfall.
- An overspend on premises rental at the Civic Centre partly offset by underspends on utility costs. Also, a shortfall in rental income achieved to date.
- Additional rental income achieved at the Enterprise Centre which is anticipated to increase to £45,000 by year end.
- 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 remainder of the year.
- 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 achieved against the budget.

2.5 A subjective analysis of the summarised budgetary position as at December is shown in **Appendix C**.

2.6 The savings target for 2019/20 of £734,100 has been achieved by way of a virement from overachieved Business Rates Pooling income approved by Council.

- 2.7 Any recurring savings target approved as part of the 2020/21 budget process will need to be achieved in accordance with the three strands contained within the approved Savings Strategy, i.e. Asset Strategy; Service Reviews; Core Budgets.

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 fully at outturn. Some of the significant service and income variances estimated for the year are set out below:

- Projected shortfall in income from Recycling & Waste Management of around £220,000.
- Projected shortfall in income from lamp post and digital banner advertising of £60,000.
- The annual deficit on the Lanes income is expected to be around £325,000. However, this may reduce depending on the outcome of the 2018/19 Head Rent reconciliations.
- Net projected overspend position of around £69,000 at Business Interaction Centre.
- Projected overachievement of salary turnover of around £300,000.
- Projected shortfall in homeless accommodation income of around £54,000.
- A shortfall in savings required to offset the loss of the supporting people funding within Homeless accommodation of £51,000.
- Projected shortfall of around £250,000 from Development Control income.
- A shortfall in car park income from tickets, permits and penalty charge notices and of around £150,000 combined.
- A net underspend in Revenues and Benefits of around £80,000 due to additional legal fees and grant income received and general underspends on supplies & services.

- Projected underspend of £567,500 from interest on borrowing due to the level and rate of new borrowing arrangements entered into and the date the new arrangements commenced.
- Projected underspend of £73,000 due to reduced insurance premiums as a result of the retender exercise.
- An overspend of around £60,000 on Legal services.
- Surplus fee income from Homelife Grants within Regulatory Services of around £95,000.
- A projected shortfall in income of around £80,000 on Other Rental Properties due to graduated rent initiatives and vacant properties that are earmarked for disposal.
- A net overspend of around £65,000 on Civic Centre due to additional expenditure on premises rental and reduced rental income received. This is partly offset by underspends on utility costs.

3.3 The areas of significant variance noted in this report have been scrutinised fully and incorporated into the 2020/21 budget process where 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 December 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 £298,352 (position at September 2019) 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 Dec 2019	Note
Investments	£19.5m	£40.6m	(i)
Loans	£15.0m	£29.0m	(ii)
Debtors System	£1.06m	£1.77m	(iii)
Creditors System	£0.002m	£0.112m	

- (i) The anticipated annual return on these investments is estimated at £442,900 for 2019/20 with current forecasts anticipated to be above this level due to the profiling of the capital programme. 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 December 2019 has been calculated and, at 2.40%, 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 £156,994.78 have been written off during Quarter 3 to the end of

December 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	7,595.70
Council Tax (Collection Fund)	38,304.53
NNDR	111,094.55
Total Write-offs	156,994.78

- 6.2 The “write-ons” itemised in Table 2 in **Appendix E**, totalling £8,874.99, are in respect of balances originally written off that have since been paid. The write-ons will be credited as follows:

	£
General Fund	0.00
Council Tax (Collection Fund)	8,574.28
NNDR	300.71
Total Write-ons	8,874.99

- 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 13 February 2020.

9. CONCLUSION AND REASONS FOR RECOMMENDATIONS

9.1 The Executive is asked to:

- (i) Note the budgetary performance position of the Council to December 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.

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 third quarter of 2019/20 shows the delivery of these priorities within budget.

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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 OCTOBER TO DECEMBER 2019

Date	Virement Details	Recurring/ Non-recurring	Value	Authorised By
Requested by Officers (under £35,000 or delegated authority)				
14/10/2019	Revenue contribution to capital from sale of waste receptacles to provide additional funding for the purchase of new items	Non-recurring	4,900	Neighbourhood Services Manager
30/10/2019	Release of Building Control Reserve to fund software licences	Non-recurring	9,500	Corporate Director of Economic Development
11/11/2019; 09/12/2019	Release of funding from Revenue Grant Reserve for Rogue Landlord Officer	Non-recurring	5,000	Corporate Director of Finance and Resources
22/11/2019	Virement from Pedestrianisation to fund Street Name Plate restoration work	Non-recurring	1,500	Health & Wellbeing Manager
09/12/2019; 09/01/2020	Release of funding from Revenue Grant Reserve for Local Plans	Non-recurring	10,400	Corporate Director of Finance and Resources
17/12/2019	Virement from Salary Turnover Savings to cover additional employee related costs	Non-recurring	35,000	Corporate Director of Finance and Resources
17/12/2019	Virement from IT software costs to cover additional employee related costs	Non-recurring	15,900	Chief Executive
17/12/2019	Virement from underspends on salary budgets to fund additional employee related costs	Non-recurring	35,000	Chief Executive
17/12/2019	Virement from Digital Strategy underspends to fund additional employee related costs	Non-recurring	33,500	Chief Executive
09/01/2020	Release of funding from Revenue Grant Reserve for Domestic Abuse Victim Support	Non-recurring	1,400	Corporate Director of Finance and Resources
Approved by Executive (£35,000 to £70,000 or delegated authority)				
Approved by Council (over £70,000)				
07/01/2020	Additional Business Rates Income used as a contribution towards transformation savings	Non-recurring	734,100	Council RD45/19

REVENUE BUDGET MONITORING 2019/20

COMMUNITY SERVICES	Gross Expenditure	Gross Income	Recharges	Total
Position as at 31 December 2019	£	£	£	£
Annual Budget	18,943,400	(6,160,900)	(2,750,300)	10,032,200
Budget to date	14,625,464	(4,628,463)	(2,383,622)	7,613,379
Total Actual	14,634,344	(4,384,984)	(2,357,878)	7,891,482
Variance	8,880	243,479	25,744	278,103
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	8,880	243,479	25,744	278,103

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Car Parking	1	(7,913)	93,851	14	85,952
Special Events	2	7,776	48,327	0	56,103
Recycling and Waste Services	3	63,557	146,338	(6,530)	203,365
Miscellaneous	4	(54,541)	(45,037)	32,260	(67,317)
Total Variance to date		8,880	243,479	25,744	278,103

Note	Community Services - Comments
1.	Shortfall in ticket income, contract income and penalty charge notice income.
2.	Overspend on contractors costs; Shortfall in income from lamp post and digital banner advertising.
3.	Budget shortfall of £25,500 towards the capital costs of replacement vehicles and overspends on transport and publicity costs; shortfall in income from sale of recyclates and Garden Waste.
4.	Minor underspends, surplus income and a shortfall in recharges across other services within the Directorate.

REVENUE BUDGET MONITORING 2019/20

CORPORATE SUPPORT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 31 December 2019	£	£	£	£
Annual Budget	6,596,900	(1,491,700)	(3,581,300)	1,523,900
Budget to date	5,028,118	(1,317,181)	(2,686,335)	1,024,602
Total Actual	4,974,451	(1,347,989)	(2,685,938)	940,524
Variance	(53,667)	(30,808)	397	(84,078)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(53,667)	(30,808)	397	(84,078)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Revenues and Benefits	1	(48,673)	(19,409)	35	(68,047)
Miscellaneous	2	(4,994)	(11,399)	362	(16,031)
Total Variance to date		(53,667)	(30,808)	397	(84,078)

Note	Corporate Support - Comments
1.	Minor underspends on printing costs and legal fees; additional government grants received.
2.	Minor underspends 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 31 December 2019	£	£	£	£
Annual Budget	4,071,500	(1,751,400)	(740,700)	1,579,400
Budget to date	2,902,258	(1,389,372)	(555,601)	957,285
Total Actual	3,023,920	(1,203,453)	(555,525)	1,264,942
Variance	121,662	185,919	76	307,657
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	121,662	185,919	76	307,657

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Business Interaction Centre	1	50,871	8,552	0	59,423
Development Control	2	12,559	191,363	0	203,922
Miscellaneous	3	58,232	(13,996)	76	44,312
Total Variance to date		121,662	185,919	76	307,657

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; shortfall in fee income.
3.	Minor overspends and surplus 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 31 December 2019	£	£	£	£
Annual Budget	28,104,400	(23,228,500)	(3,219,800)	1,656,100
Budget to date	21,307,428	(17,287,157)	(2,583,765)	1,436,506
Total Actual	20,807,471	(17,294,855)	(2,583,463)	929,153
Variance	(499,957)	(7,698)	302	(507,353)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(499,957)	(7,698)	302	(507,353)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Treasury and Debt Management	1	(421,171)	3,314	0	(417,856)
Insurance	2	(73,009)	0	68	(72,941)
Miscellaneous	3	(5,778)	(11,012)	234	(16,556)
Total Variance to date		(499,957)	(7,698)	302	(507,353)

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 underspends 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 31 December 2019	£	£	£	£
Annual Budget	10,691,200	(6,334,300)	(3,319,100)	1,037,800
Budget to date	8,169,093	(4,916,104)	(2,490,658)	762,331
Total Actual	8,334,047	(4,750,034)	(2,485,110)	1,098,903
Variance	164,954	166,070	5,548	336,572
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	164,954	166,070	5,548	336,572

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Legal Services	1	41,771	28,431	60	70,262
The Lanes	2	(3)	244,099	0	244,096
Civic Centre	3	42,626	25,117	78	67,821
Enterprise Centre	4	(3,648)	(34,329)	0	(37,977)
Other Rental Properties	5	17,378	98,958	0	116,337
Homeless Accommodation	6	87,094	42,704	0	129,798
Regulatory Services	7	(12,010)	(170,648)	(1,044)	(183,701)
Miscellaneous	8	(8,255)	(68,262)	6,454	(70,063)
Total Variance to date		164,954	166,070	5,548	336,572

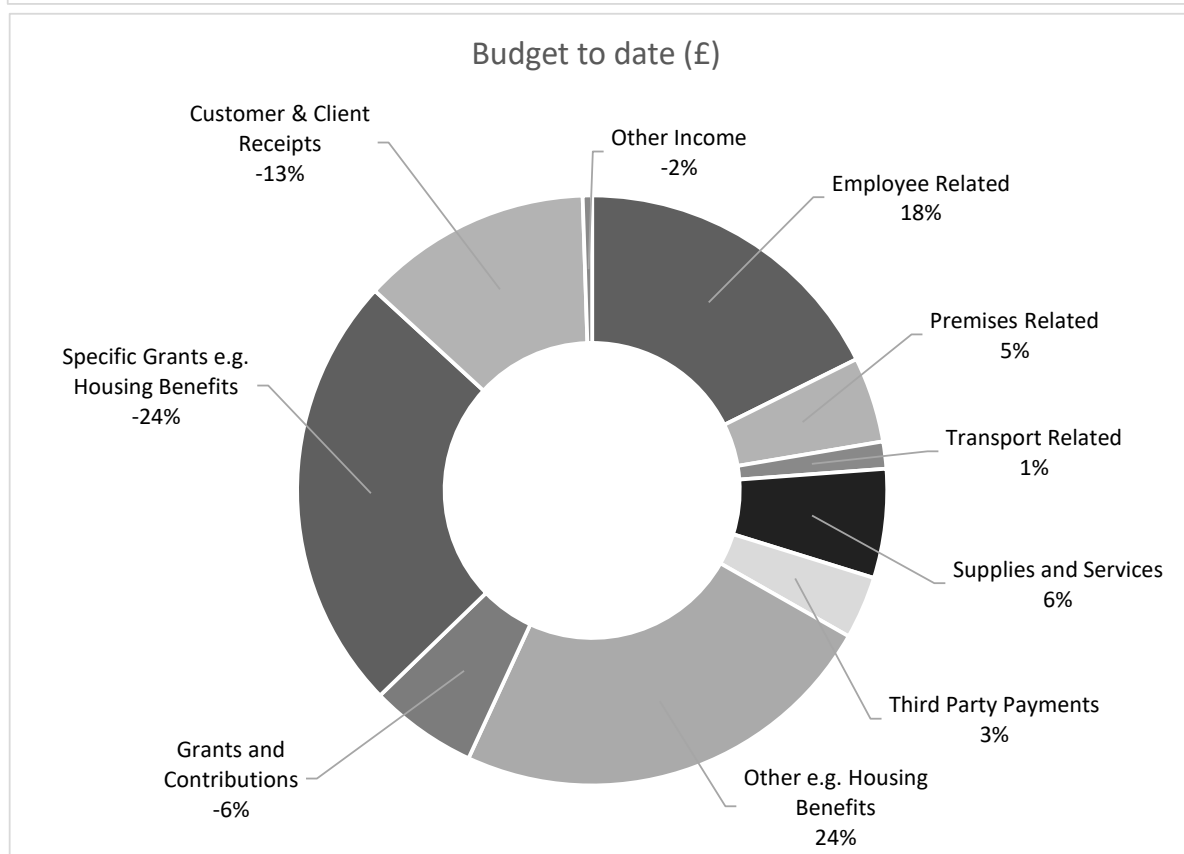
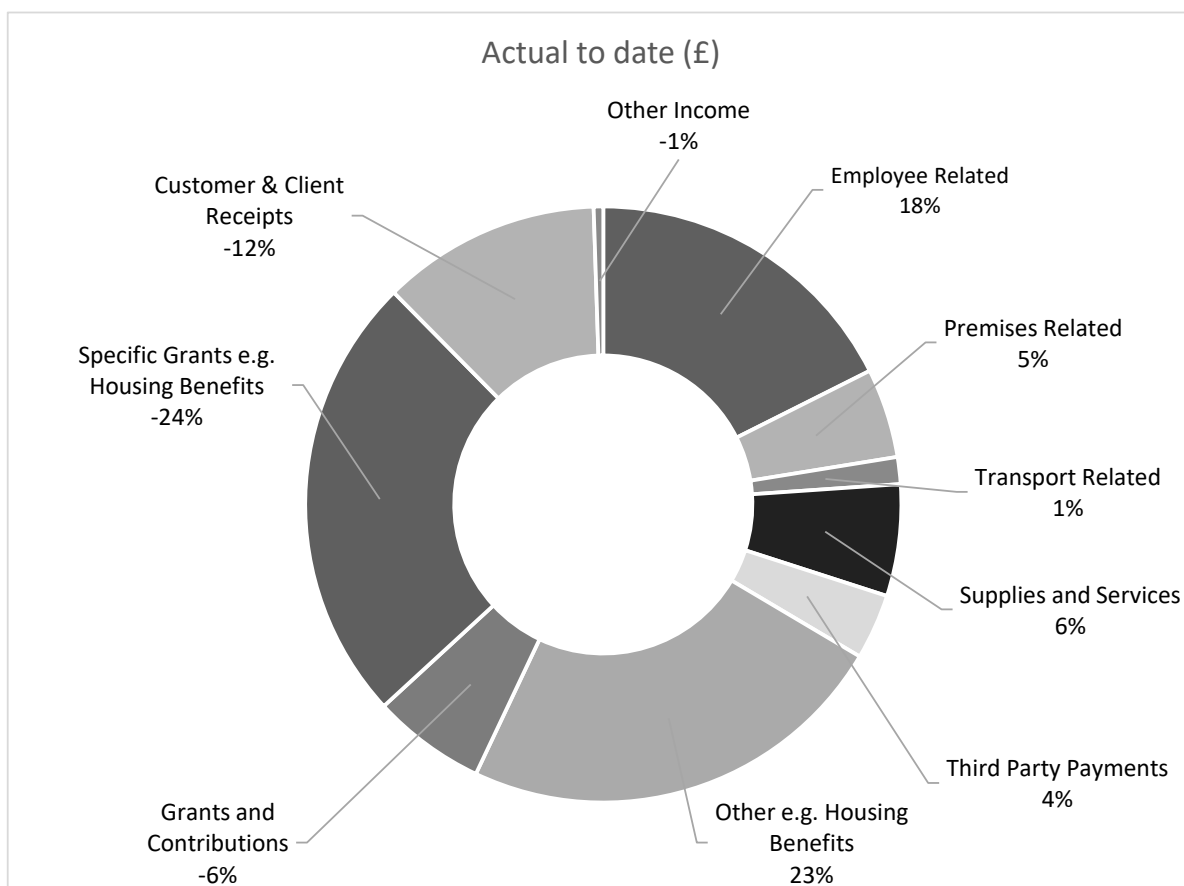
Note	Governance & Regulatory Services - Comments
1.	Overspend on employee expenditure; shortfall in Land Charges fee income.
2.	Shortfall in rent income for 2019/20. Annual deficit of £325,000 projected although the previous year head rents are currently being reconciled which may result in an additional payment to the Council.
3.	Overspend on premises rental offset by underspends on utility costs; shortfall in rental income.
4.	Additional rental income received which is forecast to be £45,000 by the year end.
4.	Overspend on surveyor fees and void costs; Shortfall in rental income due to vacant properties. Additional pressures are anticipated due to downward rent reviews.
6.	Shortfall on budget savings required due to the loss of Supporting People funding & overspend on employee expenditure; shortfall in income due to units being vacant for refurbishment.
7.	Minor underspends on supplies and services; Additional licence income and fee income received.
8.	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 31 December 2019	£	£	£	£
Annual Budget	1,327,400	(1,840,400)	0	(513,000)
Budget to date	(525,466)	(1,393,504)	0	(1,918,970)
Total Actual	(762,760)	(1,415,761)	0	(2,178,521)
Variance	(237,294)	(22,257)	0	(259,551)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(237,294)	(22,257)	0	(259,551)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Other Financial Costs	1	(213,433)	(22,256)	0	(235,689)
Miscellaneous	2	(23,861)	(1)	0	(23,862)
Total Variance to date		(237,294)	(22,257)	0	(259,551)

Note	Corporate - Comments
1.	Improvements in savings for Salary Turnover (£221,936). 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 Q3
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)
Total Income	(5,065,464)	(6,000,397)	(6,171,252)
Budget			
Baseline Funding	(3,281,700)	(3,388,600)	(3,388,600)
Additional Rates Income - Pooling/Growth	(1,650,000)	(1,750,200)	(2,484,300)
Total Budget	(4,931,700)	(5,138,800)	(5,872,900)
Additional Income retained	(133,764)	(861,597)	(298,352)

BAD DEBT PROVISION

TABLE 1		Write-Offs December 2019		Comments
Type of Debt	No.	£		
NNDR (General)	14	111,094.55	01/10/19 to 31/12/19	
Council Tax	71	38,304.53	01/10/19 to 31/12/19	
Debtors:				
Private Tenants	0	0.00	01/10/19 to 31/12/19	
Housing Benefit Overpayments	32	6,727.63	01/07/19 to 31/12/19	
General Fund	14	370.07	01/10/19 to 31/12/19	
Penalty Charge Notices:				
On Street	0	0.00	01/10/19 to 31/12/19	
Off Street	6	498.00	01/10/19 to 31/12/19	
TOTAL	137	156,994.78		

TABLE 2		Write-Ons December 2019		Comments
Type of Debt	No.	£		
NNDR (General)	5	300.71	01/10/19 to 31/12/19	
Council Tax	69	8,574.28	01/10/19 to 31/12/19	
Debtors:				
Private Tenants	0	0.00	01/10/19 to 31/12/19	
Housing Benefit Overpayments	0	0.00	01/10/19 to 31/12/19	
General Fund	0	0.00	01/10/19 to 31/12/19	
TOTAL	74	8,874.99		