

2014/15 DIRECTORATE FINANCIAL MONITORING
DECEMBER 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 31/12/14</u>	<u>PROVISION</u>	<u>FROM BUDGET</u>	<u>TO 31/12/13</u>	<u>PROVISION</u>	<u>FROM BUDGET</u>
	<u>£000</u>	<u>(REVISED)</u>	<u>(REVISED)</u>	<u>£000</u>	<u>(REVISED)</u>	<u>(REVISED)</u>
		<u>£000</u>	<u>%</u>		<u>£000</u>	<u>%</u>
CHIEF EXECUTIVE	153	152	0.7	191	190	0.5
RESOURCES *	4,092	4,167	-1.8	3,978	4,019	-1.0
GOVERNANCE	2,460	2,537	-3.0	2,455	2,558	-4.0
NEIGHBOURHOODS *	2,970	2,988	-0.6	3,064	3,063	0.0
COMMUNITIES *	5,281	5,276	0.1	4,990	5,033	-0.9
TOTAL	14,956	15,120	-1.1	14,678	14,863	-1.2

* 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	Third 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 expenditure items:</u>								
Museum	51	29	25	51	-4		-14	Due to a relocation of artefacts from Langston Road and a refurbishment causing a partial closure costs are down on the previous year.
Bed & Breakfast Accommodation	121	81	82	80	1		1	No major variances.
Grants to Voluntary Groups	124	81	80	104	-1		-1	No major in year variances. Fewer grants have been paid out than at this point last year but this was expected.
Voluntary Sector Support	153	153	153	153	0		0	No variances to report
<u>Major income items:</u>								
Bed & Breakfast Accommodation	107	80	89	81	9		11	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	424	430	389				

	14/15 Full Year Budget £'000	Third Quarter			14/15 Variance Budget v Actual			<u>Comments</u>
		14/15 Budget	14/15 Actual		13/14 Actual	Budget v Actual		
		£'000	£'000		£'000	£'000	%	
<u>Major income items:</u>								
Industrial Estates	1,122	1,088	1,087		1,062	-1	0	Rents from the Industrial Units at Brooker Road, Oakwood Hill and Langston Road are in line with the profiled budget and includes rents billed in advance for the final quarter of £300,000. The income at the end of quarter three is higher than the previous year comparative as a number of previously void properties have been re-let.
Business Premises - Shops	2,180	2,180	2,152		1,851	-28	-1	This relates to non-housing assets which include shops, doctor's surgeries, a petrol station and public houses. The income received in 2014/15 is above the budget and prior year actual because income at the end of quarter three includes £57,800 for backdated rents arising from various relettings and rent reviews.
Land & Property	172	81	88		70	7	9	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 greater than the budget to date and previous year actual due to increases in service charges to tenants resulting from increases in costs.
	3,475	3,349	3,327		2,983			

	14/15 Full Year Budget £'000	Third Quarter			14/15 Variance Budget v Actual			<u>Comments</u>
		14/15 Budget £'000	14/15 Actual £'000	13/14 Actual £'000	14/15 Budget v Actual £'000			
		£'000	£'000	£'000	£'000		%	
<u>Major income items</u>								
Development Control	795	582	680	474	98		17	Development Control fees, which are profiled on the average of the previous three years, has exceeded both the budget to date and the previous years actual due to an increase in the number of planning applications received. The increase includes pre-application fee income which has exceeded the profiled budget of £60,000 with income received totalling £76,000 at the end of quarter three.
Building Control Fee Earning	386	294	312	285	18		6	Building Control fees are higher than the profiled budget and greater than the previous year actual which is a reflection of the change in the economy generating more building work. In addition, the service has strived to increase its share of the market by engaging in partnership working with local architects, builders and professionals.
Local Land Charges	225	169	169	156	0		0	Local Land Charges income has exceeded the previous year actual but is on target with 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.
	1,406	1,045	1,160	915				

	14/15 Full Year Budget £'000	Third Quarter			14/15 Variance Budget v Actual			<u>Comments</u>
		14/15 Budget £'000	14/15 Actual £'000	13/14 Actual £'000	£'000		%	
		£'000	£'000	£'000	£'000		%	
<u>Major expenditure items:</u>								
Refuse Collection	1,369	811	707	818	-104		-13) The final invoice from the previous contractor is still being discussed and therefore remains unpaid to date.
Street Cleansing	1,271	793	687	777	-106		-13	
Recycling	3,126	2,121	1,864	2,072	-257		-12	
Highways General Fund	386	126	83	94	-43		-34	The late start of a new installation contract for Street Nameplates and Litter Bins has caused a variance at Q3 but will be spent by the year-end.
Off Street Parking	519	376	367	326	-9		-2	The major in year variance is due to an underspend on maintenance. The variance between years is due to the Burton Rd. and Vere Rd. car parks previously being accounted for within the Housing Revenue Account.
North Weald Centre	209	125	104	150	-21		-17	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	113	71	39	33	-32		-45	Whilst the contractor has been slow to pass invoices it does now look like an underspend will occur here.
	6,993	4,423	3,851	4,270				

	14/15 Full Year Budget £'000	Third 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 expenditure items</u>								
Forward Planning	232	174	116	93	-58		-33	Timing differences inevitably arise in this area due to the Local Plan having lengthy and sometimes complex consultation processes. The budget has been revised downwards and re-profiled into future years but it looks like there will still be an underspend.
<u>Contract cost Monitoring</u>								
Leisure Facilities:-								
Loughton Leisure Centre	-176	-109	-108	-95	1		-1	}
Epping Sports Centre	315	181	180	180	-1		-1	}
Waltham Abbey Pool	540	299	297	289	-2		-1	}
Ongar Sports Centre	297	174	171	167	-3		-2	}
	1,208	719	656	634				

No major variances.

DIRECTORATE FINANCIAL MONITORING - NEIGHBOURHOODS (3)

	14/15 Full Year Budget £'000	Third Quarter			14/15 Variance Budget v Actual			<u>Comments</u>
		14/15 Budget	14/15 Actual		13/14 Actual			
		£'000	£'000		£'000	%		
		£'000	£'000		£'000	%		
<u>Major income items:</u>								
Refuse Collection	145	134	106		29	-28	-21	The landfill site being used for residual collections was budgeted to continue until November 2014, this ceased in mid-September causing a variance in excess of £25,000.
Recycling	2,138	1,531	1,553		1,520	22	1	Recycling tonnage is up by 149 tonnes against that expected there was also surplus income from 2013/14. These account for the in year variance.
Off Street Parking	1,106	812	820		714	8	1	Penalty Charge Notice income is now performing better than expected. Income increased year-on-year due to increase in pay and display charges.
North Weald Centre	769	717	700		881	-17	-2	There are currently 2 leases that require revisions and therefore no invoices have been raised. The fall in income between years is due to market rents falling.
Hackney Carriages	181	136	138		139	2	1	No major variances.
Licensing & Registrations	114	97	97		97	0	0	No variances.
Fleet Operations MOTs	211	158	158		161	0	0	No major variances
	4,664	3,585	3,572		3,541			

DIRECTORATE FINANCIAL MONITORING - RESOURCES

	14/15 Full Year Budget £'000	Third 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 expenditure items:</u>							
Building Maintenance	703	284	241	239	-43	-15	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 at the end of quarter three is below the profiled budget but in line with the previous year actual. Expenditure totalling £82,250 is committed to work which will be completed in the fourth quarter enabling the work programme for the year to be accomplished.
Information & Communication Technology	978	866	863	834	-3	0	The full year budget now comprises of the total cost of the councils ICT and communications expenditure including the Switchboard, Mobile Phones and the annual contract costs for all of the major systems in use. The prior year comparative has been adjusted to reflect this change. Expenditure is in line with the current budget spending profile as the majority of maintenance contracts for systems are paid at the beginning of the year with network charges continuing to be paid throughout the the year.
Bank & Audit Charges	142	77	77	88	0	0	The expenditure to date in the third quarter includes invoices for two quarters of the BDO Audit fee, with the third quarter due and payable in the fourth quarter and the final quarter being accrued at the year end. The reduction in expenditure compared to the prior year is the result of a reduction in the Audit fee for 2014/15.
	1,823	1,227	1,181	1,161			
<u>Major income items:</u>							
Investment Income	420	315	330	335	15	5	Investment interest is a little below the previous year but a little higher than expected due to higher investment balances being held.
	420	315	330	335			

	14/15 Full Year Budget £'000	Third Quarter			14/15 Variance Budget v Actual		<u>Comments</u>	
		14/15 Budget	14/15 Actual		13/14 Actual			
		£'000	£'000		£'000			%
<u>Major expenditure items:</u>								
Management & General	383	177	165		169	-12	-7	Land Registry and All Pay charges are currently showing underspends of £2,500 each the remainder is made up from minor items.
Housing Repairs	6,007	4,365	4,286		3,859	-79	-2	The underspend mainly relates to the planned maintenance element of the fund. The budget is profiled evenly across the year, as it is unknown when responsive repairs will arise.
Special Services	599	325	307		275	-18	-6	The main variance is due to Grounds Maintenance works from outside contractors.
Interest on Loans	5,532	2,766	2,765		2,762	-1	0	No Major variance
	12,521	7,633	7,523		7,065			
<u>Major income items:</u>								
Non-Dwelling Rents	842	624	600		633	-24	-4	Income levels are down due to a higher than expected level of garage voids.
Gross Dwelling Rent	31,566	23,067	23,012		22,814	-55	0	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.
	32,408	23,691	23,612		23,447			