

SEPTEMBER 2017 - SALARIES

| <u>DIRECTORATE</u> | <u>2017/18</u> | | | <u>2016/17</u> | | |
|--------------------|------------------------------------|--|---|------------------------------------|--|---|
| | <u>EXPENDITURE TO 30/09/17</u> | <u>BUDGET PROVISION (ORIGINAL)</u> | <u>VARIATION FROM BUDGET (ORIGINAL)</u> | <u>EXPENDITURE TO 30/09/16</u> | <u>BUDGET PROVISION (ORIGINAL)</u> | <u>VARIATION FROM BUDGET (ORIGINAL)</u> |
| | <u>£000</u> | <u>£000</u> | <u>%</u> | <u>£000</u> | <u>£000</u> | <u>%</u> |
| CHIEF EXECUTIVE | 263 | 262 | 0.4 | 148 | 146 | 1.4 |
| RESOURCES * | 2,872 | 3,013 | -4.7 | 2,806 | 2,927 | -4.1 |
| GOVERNANCE * | 1,860 | 1,841 | 1.0 | 1,825 | 1,844 | -1.0 |
| NEIGHBOURHOODS * | 2,630 | 2,615 | 0.6 | 2,360 | 2,477 | -4.7 |
| COMMUNITIES * | 3,917 | 3,964 | -1.2 | 3,773 | 3,856 | -2.2 |
| TOTAL | 11,542 | 11,695 | -1.3 | 10,912 | 11,250 | -3.0 |

* Agency costs are included in the salaries expenditure.

Please note a vacancy allowance of 1.50% has been deducted in all directorate budget provisions.

| | 17/18 Full Year Budget £'000 | Second Quarter | | | 17/18 Variance Budget v Actual | | Comments |
|---------------------------------|---------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------------------|-----|---|
| | | 17/18 Budget £'000 | 17/18 Actual £'000 | 16/17 Actual £'000 | £'000 | % | |
| | | | | | | | |
| <u>Major expenditure items:</u> | | | | | | | |
| Museum | 125 | 81 | 77 | 86 | -4 | -5 | There are no major variances. |
| Bed & Breakfast Accommodation | 271 | 135 | 190 | 147 | 55 | 41 | The anticipated increase in caseload has been exceeded and this is expected to continue. As a result, expenditure in the first half year is higher than expected but rental income has also risen during the same period, as seen below. |
| Disabled Facility Grants | 630 | 315 | 198 | 633 | -117 | -37 | The Council has a legal duty to provide Disabled Facility Grants to all residents who meet the eligibility criteria. These grants are used for disabled adaptation works such as stair lifts, disabled entry solutions and bathroom renovations and will be fully funded by the Better Care Fund. Expenditure to 30 September 2017 was £198,000 but there are some large grants committed but not paid and demand is rising. |
| Grants to Voluntary Groups | 88 | 30 | 24 | 22 | -6 | -20 | It is difficult to accurately forecast expenditure patterns from year to year as timings are dependent on the receiving organisations providing the necessary information to enable grants to be released. As a general rule, however, expenditure is usually lower in the first six months as grant release tends to be slow initially. Given the forecast profiling for the current financial year, no major variances have occurred. |
| Voluntary Sector Support | 174 | 93 | 93 | 93 | 0 | 0 | There are no variances. |
| <u>Major income items:</u> | | | | | | | |
| Bed & Breakfast Accommodation | 280 | 140 | 188 | 153 | 48 | 34 | Rents are higher than expected due to the increased caseload. |
| | 1,568 | 794 | 770 | 1,134 | | | |

| | 17/18 Full Year Budget £'000 | Second Quarter | | | 17/18 Variance Budget v Actual | | Comments |
|------------------------------|---------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------------------|-----|--|
| | | 17/18 Budget £'000 | 17/18 Actual £'000 | 16/17 Actual £'000 | £'000 | % | |
| | | | | | | | |
| <u>Major income items</u> | | | | | | | |
| Development Control | 1,098 | 536 | 481 | 597 | -55 | -10 | The first half of 2017/18 has seen reduced levels of fee income compared to the same period of the previous year and the budget to date. This is possibly because major developers are awaiting the publication of the Local Plan prior to submitting any planning applications within the district. |
| Building Control Fee Earning | 450 | 242 | 306 | 149 | 64 | 26 | Uncertainty in the housing market is having a positive effect on the Building Control fees which has exceeded the profiled budget and the previous year actual. In addition, the Building Control service have formed a number of partnerships with outside bodies helping to resist the threat of competition from the commercial sector. |
| Local Land Charges | 164 | 87 | 96 | 86 | 9 | 10 | In previous years searches had been rather low, but in the first half of 2017/18 the land Charges section have seen a modest increase. |
| | 1,712 | 865 | 883 | 832 | | | |

| | 17/18 | Second Quarter | | | 17/18 | | Comments |
|-----------------------------------|-----------|----------------|--------|--------|-----------------|-----|--|
| | Full Year | 17/18 | 17/18 | 16/17 | Variance | | |
| | Budget | Budget | Actual | Actual | Budget v Actual | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | % | |
| <u>Major expenditure items:</u> | | | | | | | |
| Refuse Collection | 1,417 | 476 | 460 | 452 | -16 | -3 | } No major variances. |
| Street Cleansing | 1,375 | 447 | 445 | 443 | -2 | 0 | |
| Recycling | 2,870 | 932 | 856 | 898 | -76 | -8 | The in-year variance is due to the increased number of properties estimated not materialising to date. The variance between years is due to a 3 month rebate adjustment for recyclate and an increase in collections from an additional 603 properties from 2015/16. |
| Highways General Fund | 112 | 71 | 54 | 18 | -17 | -24 | The level of replacement of street furniture and litter bins is hard to predict and hence causes timing differences on expenditure. The variance between years is due to match funding of the Highways panel (See Cabinet report C-071-2016/17). |
| Off Street Parking | 442 | 235 | 224 | 243 | -11 | -5 | The in year variance is due to contractor payments being one month in arrears of budget phasing at present. The main variance between years is due to a saving being generated from a change of contractor. |
| North Weald Centre | 207 | 114 | 111 | 103 | -3 | -3 | No major variances |
| Land Drainage & Contaminated Land | 347 | 39 | 22 | 23 | -17 | -44 | This is a maintenance driven budget and has a volatile pattern of spend. Generally though expenditure is heavier in the winter months. |
| | 6,770 | 2,314 | 2,172 | 2,179 | | | |

| | 17/18 Full Year Budget £'000 | Second Quarter | | | 17/18 Variance Budget v Actual | | Comments |
|---------------------------------|---------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------------------|-----|--|
| | | 17/18 Budget £'000 | 17/18 Actual £'000 | 16/17 Actual £'000 | £'000 | % | |
| | | | | | | | |
| <u>Major expenditure items</u> | | | | | | | |
| Forward Planning/Local Plan | 1,248 | 517 | 303 | 237 | -214 | -41 | There is some slippage on the overall programme due to its complex nature. An update report went to the October Cabinet meeting as additional funding is required to complete the programme. |
| <u>Contract cost Monitoring</u> | | | | | | | |
| Leisure Facilities:- | | | | | | | |
| Loughton Leisure Centre | -158 | -66 | -66 | -47 | 0 | 0 | |
| Epping Sports Centre | 234 | 98 | 98 | 106 | 0 | 0 | |
| Waltham Abbey Pool | 8 | 3 | 3 | 87 | 0 | 0 | |
| Ongar Sports Centre | 98 | 41 | 41 | 50 | 0 | 0 | |
| | 182 | 76 | 76 | 196 | | | |

DIRECTORATE FINANCIAL MONITORING - NEIGHBOURHOODS (3)

| | 17/18 Full Year Budget £'000 | Second Quarter | | | 17/18 Variance Budget v Actual | | Comments |
|----------------------------|---------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------------------|-----|--|
| | | 17/18 Budget £'000 | 17/18 Actual £'000 | 16/17 Actual £'000 | £'000 | % | |
| | | | | | | | |
| <u>Major income items:</u> | | | | | | | |
| Refuse Collection | 77 | 38 | 41 | 35 | 3 | 8 | No major variances. |
| Recycling | 1,485 | 351 | 337 | 261 | -14 | -4 | Essex County Council are generally slow in sorting out the Avoided Disposal Costs for the previous financial year, and with a reducing amount outstanding the current years income has increased compared to the previous year. This is coupled with an increase in residents recycling. |
| Off Street Parking | 1,415 | 652 | 625 | 578 | -27 | -4 | No major in year variance. The variance between years arises due to the timing of the receipt of Penalty Charge Notices and Telephone Banking since taking the contract away from NEPP. |
| North Weald Centre | 812 | 506 | 554 | 498 | 48 | 9 | Both casual and market rents are in advance of original estimates due to favourable rent increases. |
| Hackney Carriages | 181 | 90 | 86 | 122 | -4 | -4 | No major in-year variance. The variance between years is due to the number of "Driver" licences plates being issued being significantly reduced due to a change in policy of issuing these types of licences over a 3 - 5 year period. |
| Licensing & Registrations | 114 | 57 | 50 | 39 | -7 | -12 | No major variances |
| Fleet Operations MOTs | 205 | 103 | 112 | 89 | 9 | 9 | The relocation of the service to Oakwood Hill has now been completed and the income is showing signs of recovery. |
| | 4,289 | 1,797 | 1,805 | 1,622 | | | |

| | 17/18 Full Year Budget £'000 | Second Quarter | | | 17/18 Variance Budget v Actual | | Comments |
|-----------------------------|---------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------------------|------|---|
| | | 17/18 Budget £'000 | 17/18 Actual £'000 | 16/17 Actual £'000 | £'000 | % | |
| | | | | | | | |
| <u>Major income items:</u> | | | | | | | |
| Industrial Estates | 1,259 | 905 | 1,025 | 821 | 119 | 13 | A number of leases have had favourable rent reviews this year across all estates. An analysis of the additional income is being done to establish how much of this can be added into the CSB. |
| Business Premises - Shops | 2,204 | 1,653 | 1,808 | 1,616 | 155 | 9 | Some new lease renewals are now coming to fruition. An analysis of the additional income is being done to establish how much of this can be added into the CSB. |
| Epping Forest Shopping Park | 490 | 121 | 0 | N/A | -121 | -100 | Due to delays caused by the highway works and delays in completing the lettings the estimate will not be met this year and figures will be adjusted at revised estimate time. |
| Land & Property | 215 | 111 | 144 | 62 | 33 | 29 | The lease on the David Lloyd Leisure Centre has been revised, whereby the Council now receives rental income rather than wait for the year-end turnover of the centre before receiving a major element of income. |
| | 4,169 | 2,790 | 2,978 | 2,499 | | | |

| | 17/18 Full Year Budget £'000 | Second Quarter | | | 17/18 Variance Budget v Actual | | | Comments |
|--|---------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------------------|-----------------|--|----------|
| | | 17/18 Budget £'000 | 17/18 Actual £'000 | 16/17 Actual £'000 | £'000 | Budget v Actual | | |
| | | | | | | | % | |
| <u>Major expenditure items:</u> | | | | | | | | |
| Building Maintenance | 582 | 83 | 109 | 179 | 26 | 31 | Expenditure fluctuates from one year to another due to Building Maintenance works being determined on a rolling five year programme which identifies and prioritises the works required to the non-office assets but generally works are undertaken in the latter part of the year which allows for preparation work to take place initially. The actual spend to date at quarter two is lower than the previous year due to some planned maintenance works placed on hold pending the outcome of the next stage of the accommodation review in November/December. | |
| Information & Communication Technology | 1,003 | 811 | 812 | 710 | 1 | 0 | The full year budget includes the cost of the councils Multi-Function Devices, Network Telephone & Mobiles, provision of the Service Desk and maintenance for all Systems in use. Expenditure is in line with the current budget spending profile as the renewal of maintenance contracts for the Councils systems are paid at the beginning of the year with network and consultancy charges continuing to be paid throughout the year. | |
| Benefit relating to Bed & Breakfast cases (Non-HRA Rent Rebates) | 280 | 70 | 87 | 90 | 17 | 24 | 2017/18 has seen a further increase in the number of homeless people placed in Bed and Breakfast accommodation compared to the current profile. Whilst some growth was included in the original budget this will need reviewing during the forthcoming budget process. | |
| Bank & Audit Charges | 122 | 32 | 25 | 25 | -7 | -22 | No significant expenditure occurs in either audit or bank charges until quarter 2. | |
| | 1,987 | 996 | 1,033 | 1,004 | | | | |
| <u>Major income items:</u> | | | | | | | | |
| Investment Income | 194 | 90 | 81 | 182 | -9 | -10 | As the capital programme gathers pace investment funds are being kept at periods of approximately 3 months as against 5 months when the estimates were set and investing in shorter periods gives lower interest rates. The variance between years is also due to the average balance invested being almost half compared to 2016/17. | |
| | 194 | 90 | 81 | 182 | | | | |

| | 17/18 Full Year Budget £'000 | Second Quarter | | | 17/18 Variance Budget v Actual | | <u>Comments</u> |
|---------------------------------|---------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------------------|-----|--|
| | | 17/18 Budget £'000 | 17/18 Actual £'000 | 16/17 Actual £'000 | £'000 | % | |
| | | | | | | | |
| <u>Major expenditure items:</u> | | | | | | | |
| Management & General | 289 | 113 | 101 | 121 | -12 | -11 | Expenditure is lower than expected in the first half of 2017/18 due to less spend on consultants and professional fees within the Policy & Management budget than originally anticipated. |
| Housing Repairs | 6,063 | 1,290 | 1,206 | 1,723 | -84 | -7 | This underspend relates to expenditure on planned maintenance (£22,000), responsive repairs (£32,000) and engineering maintenance (25,000). With regard to responsive repair works, it is always difficult to forecast when they will arise due to the demand-led nature of the works. |
| Special Services | 1,108 | 381 | 373 | 356 | -8 | -2 | The underspend in this section relates to utility costs and caretaking and cleaning. |
| | 7,460 | 1,784 | 1,680 | 2,200 | | | |
| <u>Major income items:</u> | | | | | | | |
| Non-Dwelling Rents | 893 | 444 | 425 | 431 | -19 | -4 | The reduction in income relates to garage rents. |
| Gross Dwelling Rent | 31,613 | 15,807 | 15,759 | 15,879 | -48 | 0 | The reduction in rental income from dwellings this financial year compared to 2016/17 is due to the rent decrease of 1% from April 2017, combined with reduced stock numbers due to the high number of Right To Buy sales last year. Void levels are around 1%, running broadly in line with expectations. |
| | 32,506 | 16,251 | 16,184 | 16,310 | | | |