

**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
<b>TOTAL</b>	<b>11,542</b>	<b>11,695</b>	<b>-1.3</b>	<b>10,912</b>	<b>11,250</b>	<b>-3.0</b>

\* 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	%	
Major income items							
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			As the new leisure contract is paid via Direct Debit no variances will arise in year. The variance between years is indicative of the saving being generated in the contract in the first year.

## 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		<u>Comments</u>
		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		Comments
		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			