

Budget Monitoring and Forecast Outturn – April to January 2019

Highlight report – 26th February

Monthly Summary:

The forecast outturn has moved from a £177k surplus in Period 9 to a surplus of £195k in Period 10. This movement of £18k though is made up of some significant re-forecasts. Waste and recycling have added a net overspend on staff costs of £117k. The tenancy deposit income is now forecast to match the expenditure, an adjustment of £62k, reducing Housing's forecast overspend. The corporate redundancy budget is expected to underspend by £50k. Property have submitted forecasts this month and include £90k additional investment property income, although offset by additional maintenance costs. Strategic planning have also identified potential budget slippage of £100k. This figure is not included in the forecast, as it is delayed expenditure rather than a saving.

Revenue Outturn Forecast: Compliance 68 %

Outturn Forecast	£000s
Chief Executive	(67)
Resources	(66)
Community and Culture	261
Place	(323)
Total overspend / (surplus)	(195)

[2017/18 M10 forecast was a £40k deficit; full year outturn was £621k surplus]

Capital Outturn Forecast:

Officers are projecting a full year spend of £14.8m (54%) of the £27.4m budget. This has shaded down from £15.4m as further slippage of spend into 2019/20 is acknowledged.

Capital Expenditure:

£11.8m (43%) of the programme; including £5.3m on BBHLC, £2.4m on Pirie's Place car park, £1.1m DFG, £0.9m on temporary housing and £0.5m each on an investment property and affordable rented homes south of Broadbridge Heath.

Main areas of the £12.6m slippage are £4.2m Piries car park, £2.5m property investment; £1.6m temp housing projects £1.1m Swan Walk, £0.9m BBHLC, £0.5m vehicles.

Staffing costs

Staff costs are behind the profiled budget and £79k ahead of the 2017/18 P10 position. An overspend is forecast in this area of £204k

£000 April to Jan	Actual	Budget to M10	Variance
Salaries & Wages	13,069	14,038	(885)
Overtime	213	102	111
Casual Staff	404	173	231
Temporary Staff	668	341	327
Redundancy	93	208	(115)
Vacancy saving	0	(84)	84
Total	14,447	14,778	(332)

Sundry Debtors

The outstanding balance stood at £1.12m at 31 January 2019. Four owe 46% of debt. Only one large long term debtor made a payment this month, the balance now £159k. Other balances of £138k, £119k, and £98k. One local authority briefly owed a balance of £108k but quickly settled the amount due.

Transformation reserve - update

2018/19 opening balance	594,865	
	Anticipated	M10 Actual
Changes to waste collection service	(8,400)	(8,400)
Implementation new HR system	(73,780)	(63,472)
Coaching courses	(13,000)	(6,357)
External review of Capitol options	(12,000)	(12,800)
Income transformation officer	(36,000)	(35,998)
Museum index system	(13,175)	(3,952)
Growing our own staff	(29,000)	(17,298)
Legal case management system	(27,000)	(27,000)
Housing allocations/rent system	(17,000)	(17,000)
Affordable Housing Company	(50,000)	(15,102)
Website framework	(35,000)	(30,188)
Staff survey	(5,000)	(4,900)
Staff efficiency costs	(100,000)	(0)
Total expenditure in year	(419,355)	(242,467)
Balance carried forward	175,610	352,398

Revenue Spend and Income (exc. Benefits)

The net revenue spend of £5,423k, at the close of January is 54% of the equivalent annual budget figure. Whilst gross expenditure totals £26,326k and amounts to 84% of the annual budget, gross income stands at 97% or £20,902k. Income is likely to exceed budget this year with additional income generated from rent reviews (some of which are back dated), planning fees and trade waste income. Unbudgeted grants have been received from central government but for the most part these are to offset the costs of new burdens.