

REPORT TO THE MEETING OF THE EXECUTIVE 16 JULY 2014

PORTFOLIO: FINANCE

REPORT FROM HEAD OF FINANCE

**SUBJECT: MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2014/15
UPDATE**

1 DECISION BEING RECOMMENDED

- 1.1 That the current position of the MTFS be noted.
- 1.2 That the outline timetable for the 2015/16 budget process be agreed.
- 1.3 That the arrangements for a public consultation in preparation for the budget process be noted.
- 1.4 That the funding of the Local Council Tax Support Scheme remain unchanged, in order for the annual review and consultation of the Scheme to go ahead.
- 1.5 That Members identify any initiatives or ideas that they would like brought into the 2015/16 budget process.

2 REASON/S FOR RECOMMENDATION

- 2.1 Following the closure of the accounts for 2013/14, the MTFS can be updated and the 2015/16 budget process launched.
- 2.2 This report provides an update on key issues and assumptions that affect the Council's financial planning. This report also seeks the Executive's views on the future funding of the Local Council Tax Support Scheme.
- 2.3 The MTFS will be continually updated by officers during the budget process, with updates provided to Members, either by reporting to the Executive or at the Member Awaydays, before next year's budget and revised MTFS is finally approved by full Council in February 2015.

3 2013/14 OUTTURN

- 3.1 The closure of the accounts for 2013/14 means that the MTFS can be updated with the financial results from last year. The General Fund balance as at 31 March 2014 is £994k, which is £242,000 better than estimated.

- 3.2 There were a number of areas where the final outturn for the year was either above or below budget. The Appendix reports the variances in the same format used for the quarterly Financial Management Report and shows the outturn by cost centre compared to the Revised Estimates and also compared to the forecast outturn in the Quarter 3 Financial Management Report.
- 3.3 Underneath, there is then a breakdown of the main variances for those cost centres. The cost centres include some items not normally reported, because they reverse out later in the Accounts. These items are capital charges such as depreciation, and these are shown where they have made a significant impact on the individual cost of service.
- 3.4 Across all the cost centres, some variances to be highlighted are:-
- With the introduction of the Local Council Tax Scheme, the Government closed down the Council Tax Benefit subsidy scheme. Therefore, any adjustments to benefits in respect of previous years is borne by the local authority. The net adjustments to council tax benefits in respect of previous years is £75,998, meaning that we have taken back more benefit than granted.
 - The Government has doubled the amount of small business rate relief to be paid and funded this by separate S31 grant. At the time of budget setting, the Government had not confirmed when the grant was paid and there were indications that it would be split over the two financial years. The grant was £297,778, although 50% was deducted for the levy on business rates growth above the baseline set by Government.
 - Income from grave purchases and interments was £14,560 below budget, while building control income was £13,415 below budget; these are a demand led budgets which are difficult to predict accurately. Income from recycling activities was £13,951 above budget, due to increased marketing and public awareness campaigns.
 - While overall salaries were £325,300 below original estimate, this was £89,700 short of the savings target for salaries.

4 ARREARS AND WRITE OFFS

- 4.1 Members have previously requested that additional information be provided in the Accounts on the level of arrears and write offs.
- 4.2 In the current economic climate, the Council is continuing to maintain a close watch on the level of arrears and write-offs, as it understands that individuals may be having difficulties.

- 4.3 In 2013/14 the following amounts were written off, compared to the amounts for 2012/13:

Write Offs	2012/13 (£)	2013/14 (£)
Council Tax	43,435	18,667
National Non Domestic Rates	456,924	24,615
Housing Benefits	115,288	26,720

- 4.4 A summary of write offs will continue to be reported to the Executive during the year as part of the quarterly Financial Management reports. A recent internal review of debt collection activity found that processes were sound. The organisation of the debt collection team is being reviewed.

- 4.5 As at 31 March 2014, the level of arrears has changed from the previous year as follows:

Arrears as at:	31 March 2013 (£)	31 March 2014 (£)	Change (£)
Council Tax	1,230,565	1,531,361	300,796
National Non Domestic Rates	497,286	531,381	34,095
Housing Benefits	1,012,008	1,110,011	98,003

- 4.6 The increase in arrears on council tax is due in part to the introduction of the Local Council Tax Support scheme which has resulted in a fall in the collection rate as the Council is now charging at least 20% of the council tax charge to all residents of working age who were eligible for council tax benefit. The collection rate for this group is 78%, compared to the overall collection rate of 98.3%. This fall in the overall rate was much less than originally anticipated and reflects the investments made by the major preceptors in additional collection resource and the action that was taken prior to the start of the financial year to make contact with residents affected by the introduction of the minimum charge. The national collection rate for 2013/14 fell from 98.1% to 97.9%.

- 4.7 While information on the number of individuals in arrears is not easily obtained, information is available on the number of bills issued in 2013/14 that still have amounts outstanding. Where circumstances change for an individual, a new bill may be issued, so an individual may have several bills against their property. Out of the £1.531m in council tax arrears as at 31 March 2014, £802,602 relates to 1,394 bills for the 2013/14 charge. Of this, £132,662 relates to 414 bills sent to working age recipients of the LCTS discount.

5 Pensions

- 5.1 The accounting treatment and calculation of the pension deficit for the purposes of the Financial Statements is different to that used for the triennial revaluation.
- 5.2 For the Financial Statements, the pension deficit shows a reduction from £29.9m to £24.7m. There are three main factors this year why overall deficits are down for most employers, which are:
- The changes in assumptions have acted to reduce the liability. The updates to the statistical assumptions (for example, how many members will leave employment) are a positive factor and the updates to the mortality and financial assumptions will vary by employer but tend to be either positive or only slightly negative;
 - Good investment return over the year has increased the assets by more than was allowed for in last year's assumptions which has reduced the deficit for all employers
 - In 2013, the triennial actuarial valuation was carried out and is incorporated into this year's accounting figures which leads to an experience item where the accurate valuation figures are compared to the estimated accounting figures that were previously used.
- 5.3 The Council has taken the option to pay its deficit payment for the next 3 years in one instalment which will save £22,400 per annum. Because of accounting requirements, the payment will be made from Earmarked Reserves in 2014/15 and the Reserves will be reimbursed with the annual charge in 2015/16 and 2016/17.

6 CAPITAL PROGRAMME

- 6.1 Expenditure on the Capital Programme was £0.95m, compared to an estimate of £1.65m. The expenditure was funded by £0.19m in grants and £0.76m capital receipts.

What we spent:	Planned £000s	Actual £000s
Vehicles and Equipment	544	128
Leisure and Play Facilities	220	148
Disabled Housing Grants	493	425
IT infrastructure	47	47
Council properties	296	154
Big Society Grants	49	48
Totals	1649	950

6.2 The main source of capital receipts is from the sharing arrangements established as part of the Large Scale Voluntary Transfer of the Council's housing stock. The receipts from right to buy and VAT Shelter for 2013/14 were £0.37m, compared to an estimate of £0.40m. Other capital receipts from the sale of assets were £0.58m. The detail of the Capital expenditure for 2013/14 and the resulting revisions to the 2014/15 Programme will be reported for approval to Council in July.

6.3 The current forecast for Capital Receipt balances over the life of the MTFs, compared to the updated forecast in January 2014, is shown below together with the forecast borrowing requirement.

Capital Receipts Forecast Balance carried forward at year end (£000s)					
	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s	2017/18 £000s
Forecast as at January 2014	1,565	0	0	0	0
Current Forecast	2,092	745	0	0	0

New Borrowing Requirement					
	2014/15	2015/16	2016/17	2017/18	Total
Current	1,094	317	339	295	2,045
Proposed	0	1,934	289	295	2,517

6.4 The increase in forecast borrowing required is due to the inclusion in the draft Capital Programme of the depot buildings which is a separate item on this meeting's agenda and subject to Council agreement on 29 July 2014.

- 6.5 The main areas of underspend were £111,171 on wheelie bins, £230,000 on waste vehicles which were ordered in the year but delivery did not take place until 2014/15 and £84,000 on works to Council properties which did not take place as planned. A detailed update of the Capital Programme will be reported to Full Council on 29 July 2014.

7 2015/16 BUDGET PROCESS

- 7.1 Work has now begun on preparing the 2015/16 budget. The high level timetable is set out below but detailed project plans and risk assessments are also being updated. The dates in italics for Government announcements are based on the 2014/15 budget and subject to change:

Activity	Date
2014	
Portfolio Holder Review	By 26 September
Joint SMT/Executive	26 September
Member Awayday	4 October
Executive – Budget Consultation	15 October
Public Consultation	15 Oct to 12 Dec
Review Committee – Estimates	2 December
<i>Government's Autumn Statement – sets out changes to spending forecasts</i>	<i>5 December</i>
Revised Estimates for 2014/15 agreed by Council 2015/16 Grants to Voluntary Organisations budget set	16 December
<i>Government's Provisional Financial Settlement</i>	<i>18 December</i>
2015	
Joint SMT/Executive	9 January
Member Awayday	24 January
<i>Government's Final Settlement</i>	<i>5 February</i>
Council - Budget Setting	10 February
Council – Council Tax	24 February

- 7.2 The Portfolio Holder for Finance will be meeting with each Portfolio Holder and relevant officers to go through service budget estimates. This will happen during August /September.
- 7.3 The rest of this report provides updates on some of the major factors which will affect the 2015/16 budget planning.

8 GOVERNMENT FUNDING

- 8.1 From 2013/14, the formula grant mechanism was replaced by the Rates Retention Scheme (RRS). Approximately 60% of our main funding comes from retained business rates, with a system of baseline funding levels, top-ups/ tariffs, levies, national shares and safety net. As part of the RRS, Government retained a Revenue Support Grant (RSG) and this makes up the remaining 40% of the baseline funding. This 60:40 RRS/RSG split will change as RSG reduces in line with the Government's continuing public sector cuts.
- 8.2 The budget for 2014/15 was based on the draft NNDR1. The final version contained some changes which increased the retained rates for RDC by £36,000 and included an estimate of the surplus that would be carried forward from 2013/14 and distributed in 2014/15. The Council will also receive S31 grant for:
- The temporary doubling of small business rate relief;
 - The cost of the 2% cap on the 2014/15 business rates multiplier;
 - The cost of maintaining relief on "first" property
 - Long term Empty property relief; and
 - Relief provided to retail properties.
- 8.3 This grant makes up for reductions in the rates yield. Following confirmation by Government after our budget had been set that the 2013/14 S31 grant would be paid in the year, rather than split over the 2 financial years, it is now built into estimated income that we will receive the full amount of S31 grant due for 2014/15 in this financial year.
- 8.4 Offset against this, we are aware of 2 detrimental valuations that will reduce income. The airport extension was lower than anticipated in the NNDR1 and the rateable value for a sand tipping site was reduced. The net impact on Rochford District Council's retained rates is shown below:

	£m
2014/15 original estimate of retained rates	1.940
Adjusted by:	
Reduction in Business Rates Debit	(0.079)
Less Major Rateable Value changes	(0.304)
Plus S31 Grant	0.114
Plus 2013/14 estimated Surplus	0.072
Current estimate for Retained Rates for services	1.743

- 8.5 The final NNDR1 forecast carried forward a surplus of £143,944 from 2013/14 to be distributed in 2014/15. However the outturn position for 2013/14 was a deficit, with our share being £150,280. This will be recovered in 2015/16, subject to the 2014/15 estimated outturn which will be forecast in January 2015. The impact is reduced by 50% because of the levy.
- 8.6 Although the Spending Review 2013 did not include details of the impact on individual authorities, provisional figures have been given for 2015/16. The Chancellor repeated the Government's intention to continue with its austerity package up to 2017/18. This would suggest that similar funding decreases should apply in future years. The forecasts for Government funding for the MTFs have been amended as shown below:

	2014/15	2015/16	2016/17	2017/18	2018/19
	Estimate	Estimate	Estimate	Estimate	Estimate
January 2014 estimate	3.682	3.223	2.730	2.453	2.341
June 2014 Estimate	3.486	2.796	2.599	2.384	2.190

9 POOLING

- 9.1 As part of the Rates Retention Scheme (RRS), the Government included the opportunity for local authorities to come together to form a 'pool' with a single tariff or top up. Because of the delays in Government announcements and the uncertainty over the impact of appeals on retained rates, the Essex authorities did not proceed with a pool for 2014/15. This will be reviewed for 2015/16.
- 9.2 The Essex Strategic Leaders Finance Group (ESLF) was established by the Essex Leaders and Chief Executives to take forward work on financial collaboration across the county. The group proved effective in overseeing the work on the implementation of Local Council Tax Support and sharing the financial gains from the council tax technical changes (see section 11). This group will oversee the work on pooling in order that proposals can then be considered by this Council in due course.

10 NEW HOMES BONUS (NHB)

- 10.1 This Government incentive to encourage more homes was introduced in 2011/12. It is based on the increase in new houses and bringing empty homes back into use and the grant matches Council Tax for 6 years, with 80% being received by the district council, as the planning authority, and 20% going to County. The growth in housing is measured from a statistical return which reports the Council Tax Base as at September each year.

10.2 To date, the Council has received the following NHB.

Financial Year	New Homes	Reduction in Empty Homes	Total change in housing	Affordable Homes	Cumulative Amount of NHB Income received in year £000s
2011/12	60	41	101	-	117
2013/14	68	62	130	-	266
2013/14	78	67	145	46	440
2014/15	112	14	126	13	596

10.3 The current MTFs was based on the following projections for the increase in homes within the district:

Financial Year	Total change in housing	Affordable Homes	Cumulative Amount of NHB £000s
2015/16	237	73	893
2016/17	233	44	1,180
2017/18	142	39	1,240
2018/19	116	30	1,240

10.4 The current statistics indicate that there has been an increase in the number of properties of 187 and a reduction in the number of long term empty homes of 24. This would earn additional NHB of £267k, compared to the current estimate of new bonus for 2015/16 of approximately £297k.

10.5 The Government will continue to operate the NHB on a payment by results basis but will be reviewing the scheme.

10.6 In addition, the number of new Affordable Homes that will earn additional bonus in 2015/16 is 73 compared to 13 for 2014/15 and is in line with the estimate made in January.

11 COUNCIL TAX

11.1 The first Budget Awayday will give Members an opportunity to consider the level of Council Tax for 2015/16.

12 LOCALISING COUNCIL TAX SUPPORT SCHEME

- 12.1 The Government replaced the nationally set Council Tax benefit scheme with a locally determined Council Tax support scheme, with effect from 1 April 2013. Under the new arrangements, the 100% subsidy has been replaced by a direct grant. The funding for Council Tax support in 2013/14 was based on 90% of the forecast subsidised expenditure. For 2014/15 onwards the amount of funding is not identified separately in either the RSG or RRS.
- 12.2 The grant and value of discounts is shared between Rochford District Council and the other preceptors, including the town and parish councils.
- 12.3 The Council worked with the other Essex authorities and major preceptors in the design of the scheme and agreed some key principles.
- Develop a scheme that is cost neutral, i.e. the cost to provide Council Tax support from 1 April 2013 will be in line with the level of grant distributed by the DCLG.
 - A scheme which is mainly based on the existing CTB regulations.
 - The new scheme will, as far as possible, allow for anticipated growth in demand.
 - Reduce the complexities of the current CTB scheme and make the new scheme easier to claim and administer.
- 12.4 Individual District schemes were then designed and approved based on individual demographics.
- 12.5 The new scheme is a discount on Council Tax, rather than a benefit. This means that when calculating the Council Tax Base, on which Council Tax is to be levied, the Tax Base will be reduced by the number of discounts for Council Tax Support. For the major preceptors (Essex County, Fire and Police) and Rochford District Council (as the billing authority), this reduction in Council Tax base will be off set by the direct grant.
- 12.6 This reduced tax base has implications for the local precepting bodies, i.e. parish and town councils. The parish/town councils calculate their Council Tax in the same way as we do, by dividing their precept by the tax base. If the tax base has been reduced, then their Council Tax charges will increase, even with no change in their precept. The Government expects billing authorities and local precepting authorities to work together to manage the potential impact on the local precepting authority Band D Council Tax amounts. However any reduction in the value of discounts awarded will increase the tax base.

- 12.7 For 2013/14 this was achieved by passing down an element of the funding to the local precepting authority. The allocation of the funding across the parish/town councils was linked to the individual impact of the scheme developed by Rochford District Council in each parish/town council area, then reduced by the forecast reduction in overall Government support.
- 12.8 Government have stated that the future funding for the local Council Tax support schemes will be within the business rates retention scheme. While the funding was made clear in the funding allocations as a visible line for 2013/14, first year of the new business rates system, it is not shown separately from 2014/15.
- 12.9 The total grant funding for LCTS for the Rochford District for 2013/14 was £4.42m, of which Rochford District Council received £693,000, which included £108,000 in respect of parish councils. The funding was split, 60% within the Retained Rates Scheme (RRS) and 40% within the Revenue Support Grant (RSG). As the grant is not separately identified from 2014/15 onwards, it can either be assumed to be reducing in line with the RRS and RSG, or be treated as a fixed amount which would mean a larger reduction in the amount of RRS/RSG available to fund general services.
- 12.10 For 2014/15, it was agreed to make no significant changes to the LCTS scheme. As at June 2014, the value of LCTS discounts was £4.18m which is £267,000 below the grant.
- 12.11 If the changes in RRS/RSG forecast for the MTFs are applied to the LCTS grant, then the funding available would change as follows, compared to the estimated cost of the scheme:

	2014/15	2015/16	2016/17	2017/18	2018/19
	Estimate	Estimate	Estimate	Estimate	Estimate
LCTS Funding	0.584	0.479	0.489	0.488	0.488
LCTS Cost	0.564	0.551	0.537	0.524	0.510
(Shortfall) / Surplus	0.020	(0.072)	(0.049)	(0.036)	(0.022)

- 12.12 Since the taxbase for 2014/15 was calculated, the cost of the LCTS has reduced from £4.31m to £4.18m, and in the current economic climate, it is anticipated that there will be further reductions in demand for the LCTS.
- 12.13 The current scheme has the following award criteria:
- People living in properties whose Council Tax band is E, F, G or H have their LCTS restricted to the maximum amount payable for a Band D property.

- Regardless of their financial circumstances, every working-age claimant pays the first 20% of the Council Tax liability.
- Only working-age claimants who have less than £6,000 are entitled to LCTS.
- Child maintenance is taken into account as income when we calculate entitlement to LCTS.
- Non-dependant deductions are not made when we calculate entitlement to LCTS.
- The Second Adult Rebate scheme for working-age claims has been stopped.

12.14 To reduce the cost of the LCTS, the Council would have to make changes to its scheme. Changes can only be made to the scheme as it applies to working age recipients and any increase in the charge made is likely to have an impact on the collection rate.

12.15 Essex County Council has indicated that it is content for the scheme to remain unchanged for 2015/16.

12.16 The Council is required to consult annually on its LCTS Scheme and this will need to happen over the summer.

12.17 Members are asked to indicate whether they wish to make any changes to the scheme to form the basis of the MTFS assumptions and consultation for 2015/16 scheme. Members may want to consider this in the context of the additional income from the technical adjustments to Council Tax made from 1 April 2014 which will generate income of £75,000 plus £120,000 from a sharing agreement with the preceptors.

12.18 The MTFS assumes that Members will not make any changes to the LCTS for 2015/16 but that the situation will be reviewed in future years as funding and demand changes.

12.19 The funding received by the Council includes an element that the Government would wish the Council to pass over to the parish/town councils to make up for the impact of the LCTS on their tax base. As previously agreed, the parish grant will be adjusted in line with the overall changes to the RRS/RSG funding received by the Council.

13 SERVICE REVIEWS

13.1 All the Council's services are being reviewed and cost reductions and income generation proposals have been identified. These will be fed into the budget estimates as it becomes clearer when the cost reductions/income will be delivered.

- 13.2 A significant saving made to the net expenditure for 2014/15 is the reduction in non-domestic rates to be paid in respect of the leisure premises, which will now receive mandatory relief. The saving in 2014/15 is approximately £159,000, with a further £53,000 in 2015/16. The consequent reduction in business rates income had already been included in the NNDR1 estimate for 2014/15.

14 MTFS SUMMARY

- 14.1 The decision not to introduce parking charges on Saturday afternoon was offset by the removal of a contingency budget for the LCTS scheme. The delay in introducing the planned parking tariff increases to August means a potential loss in forecast income of £40,000. This will have to be met by an increase in the level of savings required to be made in 2014/15.
- 14.2 The MTFS has been updated from the current forecasts agreed by Council in January 2014:

Forecast	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£000s	£000s	£000s	£000s	£000s	£000s
Savings Required						
January 2014	0.100	0.500	0.450	0.200	0.200	
July 2014	0.140	0.500	0.450	0	0.300	0.300
General Fund Balance						
January 2014	0.829	1.373	1.944	2.422	2.693	
July 2014	1.039	1.246	1.807	2.143	2.296	2.055
Government Funding, incl. NHB						
January 2014	4.278	4.116	3.910	3.695	3.580	
July 2014	4.081	3.689	3.780	3.627	3.429	3.233
Net Expenditure						
January 2014	10.317	9.855	9.792	9.824	10.068	

Forecast	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£000s	£000s	£000s	£000s	£000s	£000s
July 2014	10.157	9.738	9.670	9.896	10.134	10.587

15 PUBLIC CONSULTATION

- 15.1 The budget survey conducted last year for the 2014/15 budget process provided some clear and consistent messages about what residents felt were high priority services. It would be useful if the Council continued to seek the views of residents on their priorities and views on the budget proposals being considered. The format of the survey will be developed and presented to the Executive in October for the consultation to take place over the autumn.

16 GRANTS TO VOLUNTARY ORGANISATIONS

- 16.1 The Government's statutory guidance on the Best Value Duty, published in September 2011, sets out the Government's expectations of the way authorities should work with voluntary and community groups. Authorities should seek to avoid passing on disproportionate cuts and, in particular, an authority intending to reduce or end funding or other support that will materially threaten the viability of the organisation or service it provides, should give at least 3 months' notice to both the organisation involved and the public/service user. In order to ensure that the Council complies with these requirements, the 2014/15 budget for grants will be reported for approval to Council on 16 December 2014.

17 EQUALITIES AND DIVERSITY IMPLICATIONS

- 17.1 The impact of budgetary and service changes is considered and reported to members as appropriate.

18 RISK IMPLICATIONS

- 18.1 The Government have only announced local authority funding for the current year and 2015/16. The MTFs is currently based on a balance of the worse and best case scenarios, taking into account the Government's various announcements. This means there is a risk that the savings targets identified over the life of the MTFs will be insufficient to meet future shortfalls.
- 18.2 Cuts in the Council's expenditure and the continuing uncertainty over future years may have an impact on staff morale at a time when staff will be expected to increase performance and be flexible to change. This could, in turn, have a detrimental impact on performance and absence rates. Consequently it continues to be important, over a sustained period, for the

Council to be clear in its comments over the approach it is taking. Decisions and communication around the MTFs will help with this.

- 18.3 The organisational redesign being developed by the Chief Executive will have resource and operational implications which have not yet been taken into account.

19 RESOURCE IMPLICATIONS

- 19.1 Changes to resource implications identified since the MTFs was agreed by Council in January 2014 have been discussed in the body of this report. Having a robust budget process and sound financial management is key to ensuring that the Council is able to deliver high quality services within a balanced budget.

I confirm that the above recommendation does not depart from Council policy and that appropriate consideration has been given to any budgetary and legal implications.

SMT Lead Officer Signature: Y. Woodward

Head of Finance

Background Papers:-

[Best Value Statutory Guidance](#)

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HOS: Amar Dave

COST CENTRE	2013/14 Revised Budget	Projection for Year End as at Q3 2013/14	Actual 2013/14	Variance to Q3 Forecast (Negative figures are favourable)		Variance to Revised Budget (Negative)	
	£	£	£	£	%	£	%
Chief Executive Office	189,100	190,469	183,024	(7,445)	(3.91%)	(6,076)	(3.21%)
Human Resources	217,100	221,952	219,364	(2,588)	(1.17%)	2,264	1.04%
Corporate Management Account	104,600	109,315	102,833	(6,482)	(5.93%)	(1,767)	(1.69%)
Emergency Planning & Health & Safety	54,400	51,145	51,700	555	1.09%	(2,700)	(4.96%)
Corporate Policy & Partnership	73,200	61,581	60,067	(1,514)	(2.46%)	(13,133)	(17.94%)
Conducting Elections	53,500	53,744	51,984	(1,760)	(3.27%)	(1,516)	(2.83%)
Registration of Electors	72,200	72,728	71,376	(1,352)	(1.86%)	(824)	(1.14%)
Communications	68,600	67,459	65,320	(2,139)	(3.17%)	(3,280)	(4.78%)
Totals	832,700	828,393	805,668	(22,725)	(2.74%)	(27,032)	(3.25%)

Notes:

The following type of expenditure is shown in the variance breakdown because they are included in the Cost of Services for individual cost centres, but are reversed out in the Accounts.

- Capital Charges - these include depreciation and impairment entries

Variance Breakdown

Actual 2013/14 Revised Budget 2013/14 Variance £ Variance % Comments

Corporate Policy and Partnership

Salaries	49,679	71,400	(21,721)		
Superannuation	5,256		5,256		
National insurance	3,546		3,546		
	<u>58,482</u>	<u>71,400</u>	<u>(12,918)</u>	(18.09%)	Staff Vacancy

HOS: JEREMY BOURNE

COST CENTRE	2013/14 Revised Budget	Projection for Year End as at Q3 2013/14	Actual 2013/14	Variance to Q3 Forecast (Negative figures are favourable)		Variance to Revised Budget (Negative figures are favourable)	
	£	£	£	£	%	£	%
Council Tax	293,300	296,394	282,906	(13,488)	(4.55%)	(10,394)	(3.54%)
Housing Benefit Administration	14,300	17,641	9,640	(8,001)	45.35%	(4,660)	32.59%
Community Services Client Account	129,400	126,707	127,766	1,059	0.84%	(1,634)	(1.26%)
Community Safety	97,700	83,363	95,026	11,663	13.99%	(2,674)	(2.74%)
Business Rates	(74,500)	(74,237)	(68,861)	5,376	7.24%	5,639	7.57%
Housing Benefit Payments	(169,995)	(169,995)	(96,390)	73,605	43.30%	73,605	43.30%
Revenues Investigation Section	117,300	97,006	92,057	(4,949)	(5.10%)	(25,243)	(21.52%)
Culture & Heritage - Windmill	32,100	27,674	26,551	(1,123)	(4.06%)	(5,549)	(17.29%)
Leisure Premises	1,144,600	1,147,235	1,017,648	(129,587)	(11.30%)	(126,952)	(11.09%)
Sports Development & Promotion	3,600	436	369	(67)	15.37%	(3,231)	89.75%
Leisure Client Account	75,900	79,357	78,856	(501)	(0.63%)	2,956	3.89%
Housing Strategy	110,900	107,903	108,380	477	0.44%	(2,520)	(2.27%)
Private Sector Housing Renewal	423,700	422,887	559,029	136,142	32.19%	135,329	31.94%
Reception	119,500	115,969	120,620	4,651	4.01%	1,120	0.94%
Customer Services	412,500	409,070	410,034	964	0.24%	(2,466)	(0.60%)
Homelessness	400,000	403,158	390,864	(12,294)	(3.05%)	(9,136)	(2.28%)
Totals	3,130,305	3,090,568	3,154,495	63,927	2.07%	24,190	0.77%

Notes:

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- Capital Charges - these include depreciation and impairment entries

HOS: JEREMY BOURNE

<u>Variance Breakdown</u>	<u>Actual 2013/14</u>	<u>Revised Budget 2013/14</u>	<u>Variance £</u>	<u>Variance %</u>	<u>Comments</u>
<u>Business Rates</u>					
NNDR Administration Grant	(85,320)	(87,700)	2,380	(2.71%)	
Court Cost Income	(10,362)	(12,900)	2,538	(19.67%)	Income from prosecutions not as high as expected.
<u>Housing Benefit Payments</u>	(96,390)	(169,995)	73,605	(43.30%)	Subsidy figures are based upon final claim submitted in January 2014.
 <u>Revenues Investigation Section</u>					
Salaries	79,612	113,300	(33,688)		
Superannuation	9,958		9,958		
National Insurance	6,738		6,738		
Out of Hours	2,288		2,288		
	<u>98,596</u>	<u>113,300</u>	<u>(14,704)</u>		(12.98%) Staff Vacancy
Income from Prosecutions	(15,387)	(7,000)	(8,387)	119.81%	Numbers of successful prosecutions were higher than expected.
 <u>Culture and Heritage - Windmill</u>					
Capital Charges	14,944	17,000	(2,056)	(12.09%)	
Windmill Licensing income	(12,447)	(8,000)	(4,447)	55.59%	Income generated from hiring out the windmill for weddings, etc, exceeded expectations.
 <u>Leisure Premises</u>					
Capital Charges	509,802	638,100	(128,298)	(20.11%)	
 <u>Private Sector Housing Renewal</u>					
Capital Charges	455,622	320,000	135,622	42.38%	

HOS: ALBERT BUGEJA

COST CENTRE	2013/14 Revised Budget	Projection for Year End as at Q3 2013/14	Actual 2013/14	Variance to Q3 Forecast (Negative figures are favourable)		Variance to Revised Budget (Negative figures are favourable)	
	£	£	£	£	%	£	%
Office Accommodation Rochford	267,300	254,992	253,184	(1,808)	(0.71%)	(14,116)	(5.28%)
Office Accommodation Rayleigh	66,200	62,269	53,494	(8,775)	(14.09%)	(12,706)	(19.19%)
Local Land Charges	(147,400)	(159,883)	(163,623)	(3,740)	(2.34%)	(16,223)	(11.01%)
Cemeteries & Churchyards - Open/Closed	(146,000)	(143,037)	(136,295)	6,742	4.71%	9,705	6.65%
Estate Management Services	140,600	139,495	145,216	5,721	4.10%	4,616	3.28%
Legal Services	320,300	320,331	324,223	3,892	1.21%	3,923	1.22%
Member & Committee Services	548,900	543,936	548,208	4,272	0.79%	(692)	(0.13%)
Totals	1,049,900	1,018,103	1,024,407	6,304	0.62%	(25,493)	(2.43%)

Notes:

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- Capital Charges - these include depreciation and impairment entries

<u>Variance Breakdown</u>	<u>Actual 2013/14</u>	<u>Revised Budget 2013/14</u>	<u>Variance £</u>	<u>Variance %</u>	<u>Comments</u>
<u>Office Accommodation Rochford</u>					
Capital Charges	44,645	60,200	(15,555)	(25.84%)	
<u>Office Accommodation Rayleigh</u>					
Capital Charges	7,132	17,200	(10,068)	(58.53%)	

Local Land Charges

Salaries	10,019	22,900	(12,881)	
Superannuation	407		407	
National Insurance	628		628	
	11,055	22,900	(11,845)	(51.73%) Staff Vacancy

Cemeteries & Churchyards

Income from Grave Purchases and Internments	(121,440)	(136,000)	14,560	(10.71%) Demand led income stream, budget was based upon previous year's actual income.
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HOS: SHAUN SCRUTTON

COST CENTRE	2013/14 Revised Budget £	Projection for Year End as at Q3 2013/14 £	Actual 2013/14 £	Variance to Q3 Forecast (Negative figures are favourable)		Variance to Revised Budget (Negative figures are favourable)	
				£	%	£	%
Building Control Client Account	240,400	240,578	244,352	3,774	1.57%	3,952	1.64%
Building Control Fee Account	(230,000)	(216,096)	(216,585)	(489)	(0.23%)	13,415	5.83%
Planning Policy	295,400	291,343	280,814	(10,529)	(3.61%)	(14,586)	(4.94%)
Development Management	209,300	181,178	206,044	24,866	13.72%	(3,256)	(1.56%)
Planning & Building Control Admin	53,800	57,353	57,578	225	0.39%	3,778	7.02%
Economic Development	220,700	218,972	217,456	(1,516)	(0.69%)	(3,244)	(1.47%)
Hackney Carriage	2,700	(2,084)	3,205	5,289	(253.79%)	505	18.70%
Computer Services	1,174,200	1,166,922	1,221,267	54,345	4.66%	47,067	4.01%
Off Street Parking	(730,700)	(732,682)	(719,324)	13,358	1.82%	11,376	1.56%
Totals	1,235,800	1,205,484	1,294,807	89,323	7.41%	59,007	4.77%

Notes:

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- Capital Charges - these include depreciation and impairment entries

Variance Breakdown

Actual 2013/14

Revised Budget 2013/14

Variance £

Variance %

Comments

Building Control Fee Account

Income from Building Control Fees	(216,585)	(230,000)	13,415	(5.83%)	Despite some growth and optimism starting to appear in economic activity, income from Building Control applications did not meet expected levels. Compared to 2012/13, number of applications received was down by 61.
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HOS: RICHARD EVANS

COST CENTRE	2013/14 Revised Budget	Projection for Year End as at Q3 2013/14	Actual 2013/14	Variance to Q3 Forecast (Negative figures are favourable)		Variance to Revised Budget (Negative figures are favourable)	
	£	£	£	£	%	£	%
Parks & Open Spaces	985,700	980,850	950,717	(30,133)	(3.07%)	(34,983)	(3.55%)
Environmental Health	469,400	428,688	420,924	(7,764)	(1.81%)	(48,476)	(10.33%)
Licensing	(34,400)	(35,545)	(25,686)	9,859	27.74%	8,714	25.33%
Public Health	16,800	15,744	16,559	815	5.18%	(241)	(1.43%)
Public Conveniences	113,600	108,882	111,584	2,702	2.48%	(2,016)	(1.77%)
Street Cleansing	692,900	688,061	686,147	(1,914)	(0.28%)	(6,753)	(0.97%)
Recycling Collection	2,788,100	2,785,549	2,775,968	(9,581)	(0.34%)	(12,132)	(0.44%)
Recycling Disposal	(1,418,000)	(1,423,724)	(1,447,868)	(24,144)	(1.70%)	(29,868)	(2.11%)
Highways/Roads (Routine)	(22,800)	(26,585)	(23,781)	2,804	10.55%	(981)	(4.30%)
Depot	368,100	361,467	376,902	15,435	4.27%	8,802	2.39%
Totals	3,959,400	3,883,387	3,841,466	(41,921)	(1.08%)	(117,934)	(2.98%)

Notes:

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- Capital Charges - these include depreciation and impairment entries

Variance Breakdown

	<u>Actual 2013/14</u>	<u>Revised Budget 2013/14</u>	<u>Variance £</u>	<u>Variance %</u>	<u>Comments</u>
<u>Environmental Health</u>					
Salaries	287,264	420,400	(133,136)		
Superannuation	35,395		35,395		
National Insurance	24,840		24,840		
Agency Staff	29,993		29,993		
	<u>377,492</u>	<u>420,400</u>	<u>(42,908)</u>	<u>(10.21%)</u>	Staff Vacancies

HOS: YVONNE WOODWARD

COST CENTRE	2013/14 Revised Budget	Projection for Year End as at Q3 2013/14	Actual 2013/14	Variance to Q3 Forecast (Negative figures are favourable)		Variance to Revised Budget (Negative figures are favourable)	
	£	£	£	£	%	£	%
Coast Protection	2,100	2,100	2,100	0	0.00%	0	0.00%
Financial Services	506,000	490,615	495,518	4,903	1.00%	(10,482)	(2.07%)
Information & Support Services	486,100	476,477	498,260	21,783	4.57%	12,160	2.50%
Audit & Performance Management	149,100	136,467	137,117	650	0.48%	(11,983)	(8.04%)
Totals	1,143,300	1,105,659	1,132,995	27,336	2.47%	(10,305)	(0.90%)

Notes:

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<u>Variance Breakdown</u>	<u>Actual 2013/14</u>	<u>Revised Budget 2013/14</u>	<u>Variance £</u>	<u>Variance %</u>	<u>Comments</u>
<u>Audit & Performance Management</u>					
Salaries	118,921	144,700	(25,779)		
Superannuation	13,377		13,377		
National Insurance	569		569		
	<u>132,867</u>	<u>144,700</u>	<u>(11,833)</u>	<u>(8.18%)</u>	Staff Maternity Leave