

BUDGET EXCEPTIONS REPORT

April 2017 - March 2018

General Fund Income

Budget Description	Annual Budget £000's	Year -End Variance £000's	One-Off/ On-going	Comments
Investment Income	(100)	(109)	On-going	Earnings from investments are currently exceeding budget, this is due to buoyant cash balances, this will be closely monitored as current interest rate returns may not be achieved going forward.
Customer & Client Receipts	(7,232)	(97)	On-going and one- off	Recycling & Waste Collection income is a key driver of this variance due to latest forecasts on recycling activity and prices, demand for new bins for housing development sites and the continued proactive marketing of the commercial waste service (£168k). Other variances include a backdated recharge of officer time to Ryedale DC for HR support (£30k) and an unbudgeted charge for current year Marketing Support (£30k), increase in forecasted Council Tax collection court costs & summons due to current trends (£29k). There are numerous other forecasted overachievements of budget including; Licences income (£17k), Environmental Health Fees (£11k); Property Management Rent (£27k), Homelessness (£21k) and GF unallocated (£13k). This is offset by an anticipated shortfall in private payer lifeline income £44k, the service is reviewing its products and offer to customers in line with market demands in addition recruitment is being carefully managed. There is reduced income from Development Management where there has been a reduction in application fees due to the 5 year land supply partially mitigated by planning advice for larger schemes £41k, Civic Centre Rent £31k from slippage in the Police Co-location project, Groundwork recharges £51k offset by reduced salary costs, concessionary fares, offset by costs £26k, Car Parks £34k due to the theft of ticket machines and Assets Trading from take up of the service £40k.
Government Grants	(15,698)	46	One-off	This shortfall is due to the continued fall of Supporting People Grant £48k, this continued reduction from on-going assessment is not currently being met by private payers. From 1 April 2018 this funding is expected to end completely. The service is constantly looking to expand its customer base balanced with finding operating efficiencies.
Recharges	(3,009)	(25)	Ongoing	Following restructure, a full review of allocations of overheads took place resulting in a slightly higher charge to the HRA for CECs.
Total Variance - General Fund Income		(185)		

General Fund Expenditure

Budget Description	Annual Budget £000's	Year -End Variance £000's	One-Off/ On-going	Comments
Employees	8,102	(149)	On-going and one- off	Savings on salaries across the Council due to recruitment of the new structure during the year, natural turnover of staff resulting in vacancies and staffing levels being carefully managed to mitigate service risks such as the lifeline service. There are also savings here on Groundwork staff but this is offset by the reduction in income for this as it is a pass through cost. This is partly offset by increased pressure on the Development Management Team who have needed to use agency support to help cover vacancies to manage large scale complex planning applications and a large amount of appeals relating to the 5 year housing land supply. It is proving difficult for all Local Planning Authorities to recruit staff with the relevant experience to tackle the workload of this nature hence agency staff are used at a premium.
Premises	686	(8)	On-going	Various over and underspends the most significant being NNDR savings from Leasing out the former Profiles Gym Building (£11k).
Supplies & Services	8,526	116	On-going and one- off	There are numerous variances that make up this shortfall, the biggest being £148k from the use of specialist advice to support the volume and complex nature of planning applications and in part due to the pressure on the team through vacancies. There are other costs incurred including £42k on Counter Fraud services which is partly offset by £26k of staff savings, Bank Charges in relation to the volume of card payments made to the authority and historical issues resolved through the bank rec and IT systems annual management and maintenance costs £33k. There are savings on Climate Change (£21k), Concessionary Fares (offset by income (£20k), Environmental Services pollution and monitoring costs (£10k), Planning Policy (£19k) and GF Housing (£21k) on private sector housing, Night Stop and Mediation services.
Benefit Payments	15,281	(25)	Ongoing	Overall benefits saving generated from lower than anticipated overpayment debtors adjustments and lower rent allowance payments.
Transport	155	10	On-going	

Budget Description	Annual Budget £000's	Year -End Variance £000's	One-Off/ On-going	Comments
Third Party Payments	82	(5)	one-off	Small saving on the annual contribution to the Home Improvement Agency.
Drainage Board Levy	1,667	(4)	one-off	Small saving from lower than anticipated inflation increases.
Budget Savings Required	(424)	47	One-off and On- going	Small shortfall in the planned savings target, asset rationalisation will not achieve its target for the year due to the Contact Centre move still being under consideration. The interest from loans made to Selby District Housing Trust is lower than anticipated as these loans were made later in the year than expected.
Contingency	346	(195)	One-off	Unspent in the year - drawdowns for support not required.
Other		(16)	One-off	Several small variances including improvement and other grants.
Total Variance - General Fund Expenditure		(229)		
Total Variances - General Fund		(414)		

Housing Revenue Account Income

Budget Description	Annual Budget £000's	Year -End Variance £000's	One-Off/ On-going	Comments
Investment Income	(25)	(37)	On-going	Earnings from investments are currently exceeding budget, this is due to buoyant cash balances, this will be closely monitored as current interest rate returns may not be achieved going forward.
Housing Rents	(12,070)	45	On-going	The outturn shows a shortfall position over budget. The variance is driven by worse void turnover times than budgeted and one additional right to buy sale (21 in 2017/18) than was assumed in the budget.
Customer & Client Receipts	(143)	(27)	On-going	Improved position has been achieved on Pumping Station Recharges (£9k), Community Centres including room hire (£7k) and Legal Costs recovered (£6k).
Government Grants	(20)	20	On-going	Withdrawal of supporting people funding for HRA Homeless services.
Total Variance - HRA Income		1		

Housing Revenue Account Expenditure

Budget Description	Annual Budget £000's	Year -End Variance £000's	One-Off/ On-going	Comments
Employees	0	38	One-Off	Community Centre Cleaner Costs, offset by CEC savings.
Premises	797	(50)	On-going	Saving on Painting as delivered through capital programmed works (£30k). There are savings on the utility and running costs of hostels (£12k).
Supplies and Services	1,099	28	On-going	£50k spent on subcontractors covering vacancies in the trades team due to difficulties in recruitment. This is offset by savings in septic tank emptying (£8k) and HRA systems (£13k)
Transport	117	(5)	On-going	
Support Service Recharges	2,760	(8)	On-going	
Provision for Bad Debts	124	(55)	One-Off	A nominal 1% provision against rents is made in the budget, arrears calculations have not suggested an increase is required yet although the wider roll out of universal credit may have an influence, Non-rent debtors have been maintained at the same levels as 2016/17.
External Interest Payable	2,638	(225)	One-Off	This saving is due to no external borrowing taken out for new developments within the HRA this financial year, the use of internal borrowing (using cash reserves) has been used rather than PWLB borrowing in the short term and this will be kept under review as interest rates rise over the coming months and years.
Pension deficit reduction	77	(77)	On-going	The pension deficit reduction was budgeted to still be a cost of £77k but the full pay down of the pension deficit at the end of 2016/17 resulted in no payment being required in the year.
Movements to / from reserves	3,494	(309)	One-Off	Slightly lower estimate transfers to the Major Repairs Reserve to fund costs of the capital programme over the year. This is as a result of lower than anticipated capital spend, in particular on central heating systems. This saving will be reinvested in future programmes.
Contingency	75	(75)	One-Off	Unspent contingency in the year.
Other	(115)	3	On-going	
Total Variance - HRA Expenditure		(735)		
Total Variances - HRA		(734)		