

Projected Revenue Budget Variations 2015-16 & 2016-17

Position as at 31st Decemeber 2015	Budget 2015-16	Projected Outturn 2015-16	Projected Variance 2015-16	Further Projected Variance 2016-17	Service Managers Explanations
	£	£	£	£	
Variations funded from Council Tax					
All Services					
- Provision for Municipal Mutual Insurance Settlement claw back	0	50,000	50,000	0	<p>Municipal Mutual Insurance Ltd (MMI), the Council's previous insurer, was the predominant insurer of public sector bodies prior to ceasing its underwriting operations in September 1992 having suffered substantial losses. The Council and most of MMI's public sector members elected to participate in a 'Scheme of Arrangements' effectively becoming 'Scheme Creditors', meaning they may have to pay back part of all claims for which they have received settlements since 1993 in the event of the Scheme of Arrangements being triggered.</p> <p>The decision of the Supreme Court on 28 March 2012 on the 'mesothelioma trigger litigation' has placed additional financial pressures on the residual funds of MMI. It also increased the potential for a claw-back on settlements the Council has received from MMI since 1993. On 13 November 2012 the 'Scheme of Arrangements' was triggered. The Scheme provides that following the occurrence of a Trigger Event a Levy may be imposed on all Scheme Creditors. During 2013-14 the Council was required to make a Levy payment of £37,000 representing 15% of the value of total claims payments carried forward at 31 March 2013. No Levy is raised on the first £50,000 of claims payments.</p> <p>Recent communication from the Scheme Administrator has identified the potential for a second Levy. This is as a result of the need to strengthen the provisions for future claims, particularly in relation to mesothelioma and child abuse. Any Levy amount will follow the actual position at 31 March 2016, with collection from Scheme Creditors such as the Council in April 2016.</p> <p>For these reasons it is prudent for the Council to set aside a sum as a provision for any future Levy payments under this scheme.</p>
	0	50,000	50,000	0	
Finance & Governance Services					
Accountancy Services					
- Staffing	422,100	379,000	-43,100	9,500	<p>2015-16 variance - Currently have 1.5 FTE assistant accountant roles vacant in the new structure. These will be recruited in the next few months. The forecast underspend will be requested to be carried forward to fund additional staff resources for project work on Civica asset register and budget modules and supporting the move to a new bank provider with effect from 1 April 2016.</p> <p>2016-17 variance - The Accountancy Services review identified the need to create a more fit for purpose service that would focus on areas that add value rather than administrative processes. As a result of introducing this new service the savings generated by the review fell slightly short of the target.</p>
Democratic Services					
- Printing	23,500	3,500	-20,000	-18,000	The budget relates mainly to spending on printing for the Planning Committee. The spend in 2013/14 was £8,994, and in 2014/15 was £5,342. Therefore it would appear that a recurring saving is available here of approximately £18,000.
Legal					

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- Staffing	381,400	369,400	-12,000	0	There is some £3,000 of current in-house assistance expenditure not charged, now being invoiced. There has been a reduction in in-house assistance the present workload having reduced. The likely underspend will be around £ 12,000. This budget will be reviewed in 2016.
Elections					
- Staffing	183,400	144,500	-38,900	-12,000	There have been 2 maternity leave related vacancies in the team during 2015/16 (one part time post and one full time post). The part time post will not be filled as the officer has decided not to resume their position, and since call handling has been transferred to the Contact Centre the salary budget for the part time post has been removed as a recurring saving.
Council Tax					
- Printing	33,800	5,400	-28,400	-28,000	Budgets for printing and stationery need to be reviewed and reduced. This is partly due to the move to greater use of electronic communication.
Housing Benefits					
- Benefits Staffing	643,400	473,800	-169,600	0	Service carrying staff vacancies at present, restructure underway, will establish more robust budget requirements
- Printing	27,200	5,300	-21,900	-22,000	Budgets for printing and stationery need to be reviewed and reduced. This is partly due to the move to greater use of electronic communication.
- Bad Debt Provision	100,000	200,000	100,000	0	We are experiencing a reduction in Housing Benefit (HB) expenditure as the government's welfare reform changes impact on the amounts paid to HB recipients. Currently we are forecasting total HB payments for 2015-16 to be around £35.8m against an original budget estimate of £37.7m. This will result in a reduced amount of HB subsidy support being paid to the Council by the government. Therefore this reduction will have very little impact on the Council's base budget position. Unfortunately as a result of the Real Time Information Initiative that compares the records held by the Council to those held by HMRC, the Council has seen a significant increase in the value of identified HB overpayments. Additional overpayments to the value of some £500,000 have resulted as a consequence of this exercise alone. The Council has a bad debts provision of £1.7m for HB overpayments. Currently the value of HB overpayments stands at almost £3.29m (up from £2.8m at 31 March 2015). It would therefore be prudent to transfer a further £200,000 to the bad debts provision, £100,000 more than envisaged in the base budget.
	1,814,800	1,580,900	-233,900	-70,500	
<u>Contract Services</u>					
Waste, Cleansing and Recycling Services					
- Trade Waste income	-1,253,400	-1,373,500	-120,100	-48,800	Increased customer numbers by 30. Improved economic climate generated additional waste collections.
- Vehicle Workshop staffing	199,400	152,800	-46,600	0	Anticipated need to increase vehicle fitter establishment from two to three did not materialise. Maintenance requirements across the fleet (50 vehicles) contained within the capacity of current staff levels.
- Grounds Maintenance Staffing	336,500	310,100	-26,400	0	Funds transferred to cover cost of A27 road cleaning and cemetery building structural surveys.

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- Domestic Waste Staffing	1,576,400	1,492,500	-83,900		0 Introduction of zone working for green waste service plus domestic waste collection round reconfiguration, which is on-going, reduced overtime and improved staff productivity.
- Cemeteries income	-87,400	-70,000	17,400		0 Number of burials reducing annually. This year a reduction from 34 to 26. Ashes increased by two from 25 to 27 over the same period.
	771,500	511,900	-259,600	-48,800	
<u>Housing & Environment Services</u>					
Housing					
- Housing initiatives officer vacancy	525,900	381,200	-144,700		0 Variance has occurred due to staff vacancies. A slightly revised structure is being considered to ensure resources are allocated in accordance with demand and recruitment will take place when changes agreed.
- Private rented sector officer / Tenancy Sustainability officer vacancy	60,400	38,600	-21,800		0 There have been two vacancies within the Homefinder Team this financial year. One vacancy has been filled and recruitment will take place shortly to fill the second vacancy. At the present time a temporary member of staff is filling the vacancy.
- Homeless Hostel Income	-327,400	-411,400	-84,000	-40,000	Westward House operated at near capacity during the first quarter of the financial year meaning that income is higher than anticipated. Budgeted at 60% occupancy the first two quarters have averaged occupancy 75%. This would be a full year effect. Occupancy levels have been assumed at 67% for 2016-17.
- Land Charges	0	-100,000	-100,000		0 During 2013-14 the Council set up a Land Charges New Burden (Revocation of the Personal Search Fee) Reserve to provide for any future settlement following a national litigation claim against local authorities relating to personal search fee element of the Land Charges Fee. The settlement figure relating to this claim has been fully funded by central government, therefore this resource is no longer required for this purpose and can be returned to the Council's General Fund.
Pest Control					
- Income	-69,800	-40,800	29,000		0 Pest Control is being outsourced to an appointed contractor. The team has been operating with reduced staff members for some time and the service was provided by a contractor and continues to be up until transfer. The reduction in income reflects the reduced service and the costs reflect having to pay a contractor and a staff member during the procurement process.
	189,100	-132,400	-321,500	-40,000	

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Planning Services					
Development Management					
- Staffing	1,245,900	1,181,400	-64,500	198,300	This is due to a number of vacant posts, some of which have been filled, however three posts remain vacant, resulting in an additional underspend of approximately £8,200 pcm. £20,000 will be vired to indirect employee expenses to cover previous and upcoming recruitment costs. A proportion of this underspend will be used to fund current temporary and agency staff for the remainder of the financial year that will be required as a result of vacant posts and a resultant higher number of applications on hand
- Professional services	89,700	135,000	45,300		0 Overspend is as a direct result of a higher number of major planning applications. As income is projected to be £160,000 higher than budget it is proposed to vire the necessary amounts to cover these costs in February 2016
- Advertising	52,000	83,100	31,100		0 Overspend is as a direct result of a higher number of major planning applications. As income is projected to be £160,000 higher than budget it is proposed to vire the necessary amounts to cover these costs in February 2016
- Planning Application income	-989,600	-1,202,600	-213,000	-100,000	The rise in the number of Major planning applications submitted in 2015/16 has lead to a significant increase in income. Major applications workload forecasting is being carried out to assess whether this trend is likely to continue in to 2016. It is also proposed that the income budget is increased by £100,000 in 2016/17.
Enforcement					
- Staffing	340,800	307,800	-33,000		0 This underspend is to be used to fund two contract staff starting on 1.02.15 to cover vacant officer posts.
Building Control					
- Building Control Income	-451,300	-416,800	34,500		0 As per December Projected income monitoring. One BC officer post remains frozen and part of the value of this post will help offset the income position. There is also currently a significant surplus on the trading account over the rolling 3 year period (to March 2015). Consideration will also be given to the need to adjust BC fees at year end for the following year.
	287,500	87,900	-199,600	98,300	
Business Improvement Services					
ICT, Public Relations & Human Resources					
- IT Manager	0	64,000	64,000		0 The appointment of a new ICT Manager post was made on the basis that the new postholder would restructure the service to cover the cost of this new post to avoid growth in the staffing budget for IT. This restructure is underway and will be complete by end of May 2016.
Customer Service Centre					
- Staff vacancy	441,200	425,000	-16,200		0 Vacancies within Customer Service Centre, post now appointed. Variance to date
Corporate Policy					

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- Secondment of Corporate Information officer

Public Relations

- Staffing

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126,300	106,300	-20,000	0	This underspend is partly due to the 12 month secondment of a member of the Corporate Policy Team to assist with the Depot project.. This secondment has now ended and the member of staff has been appointed to a permanent post in the Depot. This post will now be considered for advertising.
142,800	160,300	17,500	0	This variance is due to the need to employ a temporary post to assist with the advertising and sponsorship initiative whilst the permanent member of staff was away on long term sickness. This postholder has now returned to work.
710,300	755,600	45,300	0	

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Commercial Services					
Museums & TICs					
- Novium Staffing	290,200	251,500	-38,700		0 Staff turnover has resulted in staffing budget savings. All posts have now been recruited
- Novium services	55,900	13,700	-42,200		0 A number of service contracts are still to come through.
- Novium trading account income	-67,300	-47,700	19,600		0 Income down against budget, secondary spend is improving and the retail offer has been refined
- Novium Equipment, Furniture and Materials	45,600	66,700	21,100		0 Additional equipment purchases to be covered by underspend in services
- Chichester TIC Trading Account	-54,500	-31,100	23,400		0 Income figures are down against the target budget, the service has introduced an accomodation list and the commission related to bed bookings is increasing. Further development work is planned.
Leisure Centres					
- Westgate cafe sales	-262,300	-213,100	49,200		0 This income stream is the cafe income at Westgate. The secondary spend income has not been as high this year . The cafe menu has recently changed and this resulted in a reduced Q3 variance when compared with the Q2.
- Westgate Chariots fitness room income	-1,040,300	-990,100	50,200		0 Direct Debit and fitness room income are both below budget. Diret debit members are lower than anticipated and personal training sessions are also underperforming when compared with budget. Recent marketing and sales in January indicate that the DD numbers have increased. The last quarter of the financial year is always the strongest for direct debit membership and it is expected for membership numbers (and income) to increase for the final three months.
- Westgate Pool income	-599,500	-561,900	37,600		0 Casual swim income is down on last year , other areas of wetside activity ie swimming lessons are performing well.
- Westgate Chariots Staff	94,400	54,300	-40,100		0 There have been a number of staff vacancies in the fitness area and these have not been backfilled by casual staff.
- Westgate Premises Staff	442,200	391,900	-50,300		0 The centre Manager post has been vacant since July 2015, It is not intended to recruit to this post and discussions will take place with the appointed contractor on the role going forward.
- Grange Centre Cafe Sales	-149,500	-135,900	13,600		0 Income is down against budget , new menus have been introduced and there should be additional income from the events programme in Quarter 4.
- Bourne Chariots fitness room income	-205,700	-195,400	10,300		0 Bourne's DD membership is down on budget but is expected to increase in the final quarter of the year.

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Car Parks & CCTV					
- Car Parks income projections	-5,556,300	-5,894,200	-337,900	-385,000	Increase due to increase in charges and voulme within the car parks
- Car Park Smart Cards income	0	-37,100	-37,100	-40,000	Additional income generated not budgeted in this financial year
- Staff restructure parking enforcement	396,900	326,100	-70,800		0 The review of Parking Services has meant that there is a salary underspend as a result of staff vacancies and saving linked to the new structure.
Estates					
- Plot 12 Terminus Road income	-28,600	-70,400	-41,800	-46,300	Notice has been given to the tennants and the building was vacated in December. In planning for site redevelopment for the Enterprise Centre.
- Plot 12Terminus Road Recoverable	-23,400	19,800	43,200		0 Notice has been given to the tennants and therefore the service charge income has reduced.
- Chichester Market Trading	-140,700	-110,000	30,700	30,700	Licence fee income has reduced reflecting economic conditions
- Midhurst Area office Income	-33,100	-10,300	22,800		0 Property partly vacant, currently being marketed
- Misc Buildings Repairs and Maintenance	52,800	3,300	-49,500		0 Part of the building services repairs and maintenance programme Works to due to be completed.
- Terminus Road income	-239,500	-416,100	-176,600		0 Mis coding of income from Woodruff Centre to be corrected by a journal. Adjust ment has now been made 9.02.16
- Investment Property, Crane Street	0	-151,000	-151,000	-151,000	New investement -Income received as expected
- Investment property woodruff centre	0	-100,800	-100,800	-100,800	New investment - Income received as expected
- St James recoverable services	-17,800	1,600	19,400		0 This service charge budget shows a shortfall as the income is now coded to a new budget
	-7,040,500	-7,836,200	-795,700	-692,400	

Community Services

Careline

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- Tunstall Disaster recovery

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12,500	26,500	14,000	0	0 There has never been any contingency funding in place for the replacement of alarm units which have reached their end of life. To date all equipment costs have been met from the equipment budget allocated to Careline and the budget has not reflected the additional amounts required to maintain existing stock levels. For the past five years Careline has tried to reduce spending costs on the equipment budget to close the deficit at the end of each year. For 2015/16 this has caused a problem as for this financial year, extra units had to be bought due to the age of those units out in the clients homes. (Each alarm unit has a life expectancy of approximately 7 years). The asset replacement programme is now in place for 2016/17 budget so the over spend on the equipment budget should not occur again due to these measures being put into place.
12,500	26,500	14,000	0	
-3,254,800	-4,955,800	-1,701,000	-753,400	

Total variations funded from Council Tax 2015-16