

# Budget Monitoring Position – March 2017

## Regeneration, Investment & Housing

OVERALL NET POSITION	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	-	-	9,013	9,013	9,013	9,026	9,041	9,041	9,041	9,041	9,041	9,041
Forecast (£'000)	-	-	9,404	9,307	9,155	9,137	9,137	9,094	9,039	9,133	9,007	8,910
<b>Variance (£'000)</b>	-	-	<b>391</b>	<b>294</b>	<b>142</b>	<b>111</b>	<b>96</b>	<b>53</b>	<b>-2</b>	<b>92</b>	<b>-35</b>	<b>-131</b>

### Key Elements of Budget Variances:

STAFFING	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	-	-	4,890	4,890	4,891	4,891	4,900	4,916	4,916	4,916	4,916	4,916
Forecast (£'000)	-	-	4,913	4,884	4,809	4,798	4,760	4,740	4,729	4,672	4,635	4,595
<b>Variance (£'000)</b>	-	-	<b>23</b>	<b>-6</b>	<b>-82</b>	<b>-93</b>	<b>-140</b>	<b>-176</b>	<b>-186</b>	<b>-243</b>	<b>-281</b>	<b>-321</b>

DELIVERY OF MTRP SAVINGS	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
MTRP Target (£'000)	-	948	948	948	948	948	948	948	948	948	948	948
Savings Realised (£'000)	-	928	928	928	928	928	948	948	948	948	948	948
<b>Variance (£'000)</b>	-	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
FIP Reconciliation period		MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR

# Budget Monitoring Position – March 2017






## Regeneration, Investment & Housing

AREAS OF RISK	Budget	Forecast	Variance	Status	Comment
	£'000	£'000	£'000		
Development Control Fees	646	638	8	R	Currently 8k under recovered, two large applications are now expected to come in during April17.
Building Control Fees	230	273	(43)	G	Currently 43k over recovered prior to a reserve transfer going to SLT for decision.
Commercial & Industrial properties Income	1,110	1,374	(264)	G	Detailed analysis being completed following monthly meetings with Newport Norse

OTHER SIGNIFICANT VARIANCES	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Private Sector Housing	-	-	7	5	5	78	77	77	72	91	91	91
Adult Education	-	-	104	108	33	43	43	42	40	31	26	19
Homelessness	-	-	61	58	50	67	69	50	52	77	82	86
Centralised Properties	-	-	134	100	20	25	-1	-119	-119	15	-16*	54
Provision Market	-	-	50	177	178	178	154	148	142	157	133	148
Commercial Properties (Mary Dunn insurance monies)*	-	-	-	-	-	-	-	-	-	-	-53	-58
Development & building control income*	-	-	-	-	-	-	-	-	-	-	-43	-35
Facilities mangt (utilities)*											-45	
<b>Total</b>			<b>342</b>	<b>238</b>	<b>276</b>	<b>341</b>	<b>342</b>	<b>193</b>	<b>187</b>	<b>325</b>	<b>175</b>	<b>305</b>






# Budget Monitoring Position – March 2017

## Regeneration, Investment & Housing

Change since last month	Current & Emerging Risks / Opportunities (Including non delivery of MTRP savings)
	<p>Adult Education - <b>Current overspend £19k</b> in respect of income under recovery. The department has received an NNDR rebate now they have officially vacated the Charles St site, this credit has though been offset by two final redundancy payments and a further decline in income expected for examination and course fee's.</p>
	<p>Homelessness - <b>Current overspend £86k</b> the provision of accommodation is subject to a degree of variance owing to the demand placed on the service at any given time; this is difficult to forecast and will remain volatile throughout the year. During March period there has been a small increase in the forecast anticipated for Bed and Breakfast as a result of increased numbers placed during the month and an under recovery of HB income not known in January; the manager will, as always continue to closely monitor these accounts in the new financial year.</p>
	<p>Play Development – <b>Current overspend £28k</b> a cabinet member decision to increase the play provision in the city has meant the service area is expecting a permitted overspend at year end .</p>
	<p>Private Sector Housing – <b>Current overspend £91k</b> a review of the Private Sector Housing budget has now concluded; the manager has determined the figure for the statutory service cost of the Disabled Facilities Grants and reduced the income forecast accordingly. Ongoing work in the section with regards the fees has resulted in a further reduction of income in the January period as a direct result of budget underspends.</p>
	<p>Provision Market – <b>Current Overspend £148k</b> A one-off £55k overspend to enhance the market conditions along with an overspend of £15k for promoting the market. The under-recovery of Income within the market has increased by £15k following the return of unpaid debtors invoices as part of the debt recovery strategy giving a total of £120k under recovery. The “payment holiday” has yet to be finalised. This could see a reduction of upto £20k in relation to income. Savings were made within utilities (£45k).</p>


# Budget Monitoring Position – March 2017

## Regeneration, Investment & Housing

Change since last month	Current & Emerging Risks / Opportunities <i>(Including non delivery of MTRP savings)</i>
	<p>Centralised Properties – <b>Current Overspend £54k</b> some last minute changes to the Joint Venture contract payment to Newport Norse (£38k) and one off in years savings in relation to NDR Rates and Water Rates (£105k) and (£55k) respectively have offset a change to the recharges of £334k which includes the JV profit share not being achieved as part of the 16/17 MTRP. Further in year one off pension strain and advertising costs of £46k have been received.. Further analysis of the recharges needs to be undertaken in readiness for 2017/18.</p>
	<p>Civic Centre – <b>Overspend £141k</b>. A number of large maintenance projects were undertaken such as changes to PAC system, Redecoration of specific areas of the building and a full review of contract payments to external providers has resulted in a significant overspend within 16/17. the realignment of specific budgets within IPU should offset these costs within 17/18 but it needs close monitoring to ensure accuracy.</p>
	<p>Carbon Reduction - <b>Current Underspend (£138k)</b> A review of the carbon reduction purchases for 16/17 has resulted in the early in year purchase of carbon credits being sufficient to maintain the required levels throughout the year.</p>
	<p>Communities First - Welsh Government have notified all Local authorities that a 30% cut to the grant should be expected in 2017/18; The interim Head of Service and service manager are currently working through a number of scenario's to determine what the possible impact will be for the authority in terms of service delivery and redundancies.</p>
	<p>Libraries - The Welsh Library Standards Annual return has recently been passed to the Chief Executive. The return reports that Newport City Council 's Library Service has deteriorated dramatically over the past three years. As part of the budget setting process for 2017/18 the Interim HoS has taken a decision to use accumulated underspends from the development services budgets to offset the recurring pressure on the libraries fee income budget.</p>

# Budget Monitoring Position – March 2017

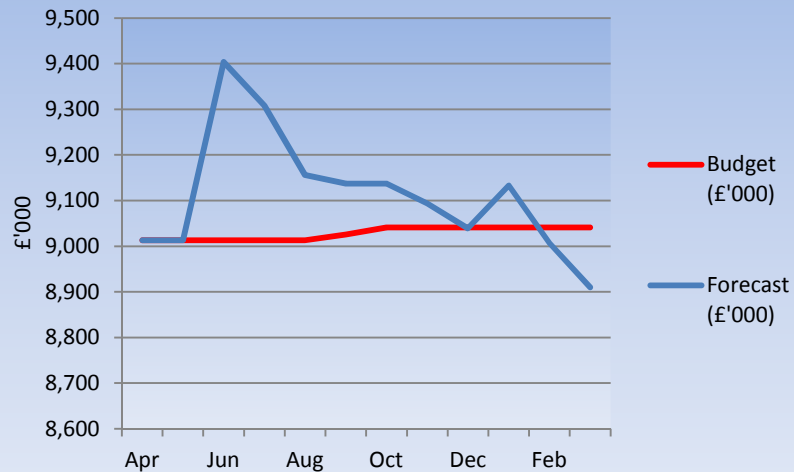
## Regeneration, Investment & Housing

Change since last month	<b>Current &amp; Emerging Risks / Opportunities</b> <i>(Including non delivery of MTRP savings)</i>
	European Projects - Underspends were anticipated at the end of 2016/17; a ring-fenced reserve has been set up for these underspends and these have been carried over into 2017/18 . This sum will be used to fund contract extensions , contract evaluation and mental health provision (for Inspire to Achieve) and fund a new management structure /staff accommodation for Communities for Work if Communities First is phased out.

# Budget Monitoring Position – March 2017

## Regeneration, Investment & Housing

Regeneration, Investment & Housing  
2016/17 Forecast History



### Head of Service Commentary

#### Management actions to address position:

#### Key Budget Variances

#### Non Delivery of MTRP Savings

Position unchanged since last month – comment still stands

#### BMS Submission Data

%

% of cost centres submitted by  
budget holder deadline

0

# Budget Monitoring Position – March 2017

## Regeneration, Investment & Housing

### Head of Service Commentary

#### Head of Service comments/ summary:

Over the financial year of 16/17 I am pleased with the Managers commitment to providing robust forecasts which has led to a minor underspend at outturn and a clear financial picture throughout the year.

16/17 has shown an RIH trend in the financial picture – managers are looking at creating a more consistent picture throughout the next financial year.

There are a number of challenges already presenting themselves for 17/18 -

Communities First – Budget will see funding cuts this year and will then be terminated at the end of the financial year. There will be replacement funding, but this will not be at the same levels as this financial year.

RIH is currently undertaking a full review of services and the sustainability of those services against the challenge of the longer term financial picture. This will inform the 18/19 MTRP plan.

### Strategic Director Commentary

#### Strategic Director comments:

The RIH service outturn position for 16/17 is an underspend of £131k against the available financial year budget. This is a variance from the predicted overspend in the January forecast, but this is primarily due to an over achievement of income within Commercial and Industrial properties, planning and building control fees. The final outturn represents a 1.4% variance from the planned, annual £9m RIH overall budget.