

Appendix A

Budget Monitoring Variances January 2023

Following changes to reporting tools in the current year, Budget Monitoring reviews are better able to focus attention on both prior year actuals and current year to date actuals. This has resulted in challenge to the level of budgets in current and future years leading to budgets being reduced or removed, which then better reflects both current spending and income needs

Amounts in (Brackets) are favourable and others are adverse movements.

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Central Services – deficit £89,760				
Adobe Licence Fee for Graphics not been budgeted for	2,250			Yes
Training income budget removed as delivery of training to other parties not generating levels of income	5,000			Yes
At Homes event has been postponed for the last 2 years due to covid, this will mean 2 events taking place this year. Increase in budget to cover the additional costs in year.	1,950			No
Print room business rates and Cleaning Contract not been budgeted for, following move to new premises from King's Court.	9,090			Yes
Reallocation of apprenticeship budget ³		58,970		No
Increase apprentice levy following review of actual		7,000		No
Recharge to cover expenditure from Civics events		3,500		No
Miscellaneous ⁵	1,100	900		Yes

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Total	19,390	70,370	89,760	
Health, Wellbeing and Public Protection – deficit £5,890				
Careline – Rent for industrial unit not budgeted for this year	1,620			Yes
Financial Assistance – Cost of car parking passes for King's Lynn Festival staff. Expected to be the last year of funding this cost.	2,370			No
Community Safety and Neighbourhood Nuisance – as agreed at Cabinet – 16 th November 2021, a new revenue budget to be included for additional vehicle running costs and associated IT and ancillary costs associated with new Enforcement posts in relation to Clean Neighbourhoods, Fly-Tipping and Environmental Enforcement.	17,500			Yes
Re-allocation of budgeted employee costs to reflect recharges based on actual workload. increase is covered by reduction in Legal Services ¹	12,000			Yes

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
The Council's Lily support service is grant and council funded. Following successful bid for further funding the funding transitions from phase 4 to phase 5 resulting in a reduced cost to the Council by removing the old budget.	(50,220)			Yes
Reduce income from Careline income target unachievable due to large numbers of cancellations	80,000			Yes
Removal of transfer to reserves budget due to increasing cancellations and decreasing income	(80,000)			Yes
Handy Person Scheme vehicle replacement funding reprioritised to future years ⁴		(18,820)		Yes
Drainage works cost less in year so budget not required before 31 March 2023		(3,500)		No
Additional allocation from lottery for allocation from Financial Assistance Reserve – West Norfolk Wins		7,000		No
Reallocation of apprenticeship budget ³		(15,480)		No

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Careline income is less than budgeted as a result of higher than estimated customers going into care, passing away, moving in with relatives, with new residents not taking up the option along with others perhaps cancelling in order to manage household costs		52,750		Yes
Miscellaneous ⁵		670		No
Total	(16,730)	22,620	5,890	
Programme and Project Delivery – Surplus £266,610				
Increased costs from increased unit costs for gas and electricity consumption to capped limits.	2,290			Yes
Income from Boston BC for contribution to procurement services not budgeted for. Contracted up to and including 2024-25.	(19,840)			Yes
Budget for West Norfolk Housing Company costs rechargeable from the Borough Council – not previously budgeted for		(22,290)		Yes
Increased income from West Norfolk Property lease payments due to new properties being taken on for lease from the Council in year		(116,370)		Yes

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Budget for costs rechargeable from Borough Council and West Norfolk Property – no formal Service Level Agreement has previously been in place		(115,100)		Yes
Increase gas budget in line with actuals recoverable from West Norfolk Housing Company service level agreement		4,700		No
Total	(17,550)	(249,060)	(266,610)	
Legal Services – deficit £28,610				
Recharge of costs budgeted in Legal Services to reflect actual workload in other services. ¹	(23,810)			Yes
Increase external legal fees -There have been costs associated with the governance of the companies which was not factored into the original budget totalling £6,300, and increased costs for the legal software, "Iken", in excess of £8k above previous year spend.		27,500		Yes
Budget to cover 50% of LG futures subscription (new in year) and subscription for law books/legal material		9,000		Yes
Income from third parties for legal administration on property and leases is lower than budget		6,270		No

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Reduce legal cost recovery budget as will not realistically be met in year. Budget is dependent on scale of legal cases in year		8,110		No
Increase postage recharge budget in line with actuals		1,540		No
Total	(23,810)	52,420	28,610	
Environment and Planning – Surplus £493,460				
Rent of an industrial unit used by Emergency Planning not in budget for this year, has been in budget last two years but appears to have been removed in error	2,500			Yes
Re-allocation of budgeted employee costs to reflect recharges based on actual workload. increase is covered by reduction in Legal Services ¹	11,810			Yes
Increased costs from increased unit costs for gas and electricity consumption to capped limits.	2,800			Yes
New document scanner required at a cost of approximately £5,000 in the Corporate Scanning team. Replacement of existing equipment expected to reduce current spend on maintenance and call out costs.	3,000			No

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Planning income has increased over the course of 2022-23, due to a number of windfarm applications and large-scale builds. This amount is net of 20% transferred to Planning earmarked reserve.	(160,000)	(320,000)		Yes
Revised fees for technical support on pollution and prevention control.	8,870			Yes
Enforcement Income is forecasted to be lower than budget for Air Quality in year.	4,500			No
Street Naming & Numbering – grant from Royal Mail & Geoplace for maintenance of address data	(3,000)			No
Increase postage recharge budget in line with actuals, see other services for offset of cost		(3,520)		No
Full budget for consultant's fees unlikely to be required for specialist cases.		(6,000)		Yes
Costs for applications taken to appeal and court cases e.g. barrister fees		45,780		Yes
Due to the number of vacancies within the Planning Policy team, additional spend with Capita necessary to cover the Planning Policy function		42,000		Yes

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Two Neighbourhood Plans claimed for in year and not three as originally anticipated. Income will therefore be reduced by £20k		20,000		No
Code must be net zero and due to less neighbourhood plans claimed for, and increase in agency costs, further funding will be required from reserves		(25,000)		No
As above – no surplus expected to be able to transfer to reserves		(37,000)		No
Miscellaneous ⁵	(200)			No
Total	(129,720)	(283,740)	(413,460)	
Operations and Commercial – deficit £393,558				
Adjustments to CCTV internal recharges to other service areas following review. Some areas have not had a CPI (Consumer Price Index) increase applied, have not been charged when should have been and an increase in cameras at some sites ²	(32,800)			Yes
Correction of budget to £17,500 to cover cost of leasing two visitor Pontoons from the Kings Lynn Harbour Authority, budget was incorrect last year	5,000			Yes

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Income budget removed for Sunday Market 'regular' tolls only casual market tolls paid for the Sunday Market	13,700			Yes
Vehicle fuel costs in July 2022 are 49.7% higher than at the same time in the previous year. It is not known at this stage if prices will remain at these high levels and therefore an estimated increase of 36% over 2021/22 actuals, which assumes that prices will reduce later in the year	50,000			Yes
New Crazy Golf at The Walks generating additional income for council, no budget originally. To be extended into future years.	(1,800)			Yes
Successful reclaim of VAT on non-BC Car Parks from HMRC	(126,780)			No
Waste collection (brown bins) – net impact of 1,400 tones less than budgeted following extremely hot summer.	56,600			Yes
Increased costs from increased unit costs for gas and electricity consumption to capped limits.	249,540			Yes
Reduced parking permit requirements from corporate clients, i.e. Freebridge and NHS Norfolk and Waveney CCG	19,590			Yes

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Business Rates for depot at Old Meadow Road (Factory) whilst property vacant 2022-23	25,300			No
Cleaning of bunded fuel tank at depot as a result of a condition inspection – one off cost	5,890			Yes
Maintenance of the Forklift Trucks no budget provision previously made	4,340			Yes
CCTV Room Upgrade, Car parks resurfacing and ticket machines, support vehicles; partly rephased funding for capital items to future years ⁴		(79,510)		Yes
Increase gas budget in line with actuals		24,700		Yes
Decrease Electricity budget in line with actuals		(45,000)		Yes
Crematorium Fee income not achieved in year, not quite back to pre-pandemic levels		37,600		No
Increase income for abated credits for Crem - selling to Great Yarmouth at an increased rate		(20,923)		No
Increase water budget in line with actuals		12,000		No
Fees for hire of Tennis Courts £3,950 paid back to customer following cancellation of tournament in 2020 and in 2021		3,950		No

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Reduced parking income based on actuals to date lower than revised budget by 4%		193,886		Yes
Miscellaneous ⁵	(1,250)	(475)		Yes
Total	267,330	126,228	393,558	
Property and Projects – surplus £32,170				
A realignment of budgets for Property Services. This comprises of budgets for postage £600, water bills, contract cleaning and minor adjustments to repairs and equipment budgets, to reflect the running costs of let premises.	(10,110)			Yes
A contribution to reserves is made each year for King's Court furniture hired by DWP who are tenants of the building, this is provided under the SLA. But had not been budgeted for	16,740			Yes
No budget provision for annual subscription for Property Services. To be corrected from next year	1,740			Yes

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
A loss of income for shops, offices and units is forecast for the first quarter due to vacant properties following loss of tenants, the properties are being marketed to be re let, will be reviewed	9,820			Yes
Increase in business rates for general properties in use by the Council.	23,180			Yes
Reduction of travel budget in Property Services reflecting actuals. Amount of travel has reduced, compared to historic expectations	(7,080)			Yes
Increased costs from increased unit costs for gas and electricity consumption to capped limits.	157,630			Yes
Business Rates budget decreased as DWP have been paying the rates for the ground floor of the building at King's Court for over 3 years and budget is now up to date to reflect this	(65,900)			Yes
Priory Centre – Premises now let, impact on Business Rates and Lease Income	(22,270)			Yes
Further loss of income from shops, offices, and units due to vacant properties following loss of tenants.	19,820	(3,580)		Yes
Income for Legal Fees in relation to lease agreements	(5,100)			Yes

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Decrease electricity budget in line with actuals for various premises		(75,000)		Yes
Increase gas budget in line with actuals		22,700		Yes
Sewerage treatment works refurbishment funding rephased to future years ⁴		(10,220)		Yes
Unbudgeted rates bill for Boal Quay/mooring premises		6,120		Yes
Ditches & dykes contract has recently been retendered at £107,144 over 3 years.		35,710		Yes
Increase rents budget in line with new tenants and rents currently charged following rent reviews and good levels of occupancy.		(71,700)		Yes
Extension for agreement on Saddlebow Lane paid as one-off income		(37,830)		No
Reallocate apprentice estimates ³		(15,480)		No
Miscellaneous ⁵	(1,180)	(180)		
Total	117,290	(149,460)	(32,170)	
Regeneration, Housing and Place – deficit £28,560				
An increase in internal recharges for CCTV following review ²	2,210			Yes
Estimated savings following reduced need by Economic development for room hire	(1,200)			Yes

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Increased costs from increased unit costs for gas and electricity consumption to capped limits.	1,780			Yes
Tourism – income removed for brochures, and leaflet. No longer doing West Norfolk Holiday Guide and Where to go in West Norfolk leaflet. Costs now focused towards on-line presence.	35,250			Yes
Reduce repairs and maintenance budget for Greyfriars Tower as not anticipated to be fully required for the year		(8,000)		No
Bring in budget to match recharge for “Abovo licence fees” 21/22. This related to West Norfolk Housing Company but was not picked up in 21/22 so recharged in 22/23 instead		(2,750)		No
Increase postage recharge budget in line with actuals		1,380		Yes
Miscellaneous ⁵	400	(510)		Yes
Total	38,440	(9,880)	28,560	
Resources – deficit £89,998				
Adjustment following notification of current year’s Housing Benefit Subsidies and Grant adjusted from estimated levels.	(35,060)			Yes

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Removal of professional fees budget within Revenues and Benefits as no longer required	(1,000)			Yes
Welfare Reform – Professional Fees realigned following review	14,240			No
DWP Welfare Reform grant increased in line with actuals	27,770			Yes
Increased expenditure for software maintenance and for telephones to work through Microsoft Teams	3,050			Yes
Loss of income from rental property, vacated with no immediate plans to remarket as pending redevelopment.	21,840			Yes
Increase in bank charges budget to match increased charges in year, similar spend last year. Charges on income from card transactions, recently retendered to reduce fees.	52,600			Yes
Mains electrical room batteries, to support uninterruptible power supply for IT not budgeted for in ICT hardware maintenance	10,000			Yes
Increased expenditure for cost of software maintenance subscriptions and licences.	5,000			No

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Internal Audit Support costs charges at actual rate lower than budgeted.	(5,160)			Yes
Remove/reduce various staff travel budgets as no longer required due to reduced travel	(9,860)			No
Reduce budget in line with actuals - income generated from advertising of properties on the Home Choice Portal - fewer properties advertised in year		30,000		No
Additional External Audit costs not accounted for 2019-20 2020-21, Housing Benefits Balance for 2020-21 and 2021-22 audits		58,000		No
Reallocate apprentice estimates ³		(28,010)		No
Revised to match amounts Subsidy received and social benefits distributed this year		(57,325)		Yes
Funding from Norfolk County Council to support staffing costs for a counter fraud review of Single Person Discount and Void premises		(17,732)		Yes
Low value debts written-off for 2022-23 based on actuals to date		18,000		No
Bring in budget to cover annual subscription cost for Home Connections choice-based lettings service		6,450		Yes
Miscellaneous ⁵	(6,260)	3,455		No
Total	77,160	12,838	89,998	

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Leisure and Community Facilities – deficit £424,040				
An increase in internal recharges for CCTV following review ²	31,730			Yes
Increased costs from increased unit costs for gas and electricity consumption to capped limits.	50,430			Yes
As a result of uncertainty around the level of support that AWN required in 2021/2022 a provision was made in the 2022/ 2023 budget to recover the grant but was in fact recovered in 2021/2022. The net effect is zero across the two accounting periods	450,000	(80,070)		No
Increase Gas budget in line with actuals		8,800		Yes
increase electricity in line with actuals		36,000		Yes
Decrease business rates budget in line with actuals		(11,650)		Yes
Leisure sites refurbishment work funding rephased to future years ⁴		(106,120)		Yes
Reduced budget relating to school sports hall hire at Downham Market – review to be undertaken		35,360		Yes
Reduce budget for project costs at Stories of Lynn, as do not anticipate spending full budget by end of year		(17,500)		No

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Increase repairs and maintenance budget for Dutton Pavilion as not sufficient		4,030		No
Remove budget - not used for previous years or current year to date. Following discussions & review of planned property maintenance schedule, this service is responsibility of Property Services		(5,510)		Yes
Legacy budget from when Alive Management Leisure and Trust - Utility costs not recharged for AWN under current arrangement		22,470		Yes
Dutton Pavilion - Increase budget to cover lump sum rent recharged in 22/23, as previous years income was not recharged		(11,600)		No
Increase water budget at Downham market in line with actuals		6,000		Yes
Reduce lettings budget as South Lynn Community Centre still occupied by Borough Council staff so rooms cannot be hired out for external		11,500		No
Reduce budget at Fairstead Community Centre to reflect actual income generated from room hirings in year. Slow pick up for hirings post covid/increased virtual training etc therefore no need for hire of rooms for training		8,500		No

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Reduce budget in line with actuals - recharge of AWN staff for cleaning/support at Fairstead Community Centre		(5,440)		No
Miscellaneous ⁵	260	(3,150)		No
Total	532,420	(108,380)	424,040	
Financing requirement – Surplus £571,940				
Vehicle replacement funding rephased to future years ⁴		(31,940)		Yes
Additional interest earned on invested cash balances as a result of increasing interest rates		(540,000)		No
Total	0	(571,940)	(571,940)	
Grand Total	864,220	(1,087,984)	(223,764)	
Impact on Financial Planning				
Yes	497,910	(542,485)	(44,575)	
No	366,310	(545,499)	(179,189)	

Notes

¹Movement of staffing budget across service areas – net nil impact

²Adjustment in recharges for CCTV across service areas – a net impact of £1k increase across budgets

³Movement of Apprenticeship costs – net nil impact

⁴Unsupported Borrowings to fund Capital programme reflecting actual spend resulting from re-prioritisation of programme – net impact £246,610 favourable in year

⁵ Miscellaneous items include other movements that in total within each Assistant Director Area amount to less than £5,000