

AGENDA ITEM 10

RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

16 MARCH 2011

REPORT OF HEAD OF CENTRAL SERVICES

BUDGET MONITORING APRIL TO DECEMBER 2010

1.0 PURPOSE OF THE REPORT

- 1.1 To provide information on actual expenditure and income incurred on this Committee's services compared to the latest approved budget for the period 1st April 2010 to 31st December 2010

2.0 RECOMMENDATION

- 2.1 *It is recommended that the financial position on each of this Committee's services to 31st December be noted.*

3.0 KEY ISSUES

- 3.1 As part of the Council's budget monitoring procedures all budget holders are asked on a quarterly basis to provide details of service and financial performance. Copies of the budget holders' returns are available for further information.

Overall Position

- 3.2 A summary of income and expenditure for all of this Committee's services is attached at Appendix A. This information has previously been circulated to Members as part of the Members' Newsletter. The summary is divided between controllable and uncontrollable costs. Uncontrollable costs consist of such areas as support costs, capital financing costs and internal recharges which are outside the control of the budget holder.
- 3.3 A summary of the income and expenditure for this Committee's services compared to the approved budget at December 2010 is as follows:

	Approved Budget December 10 £	April to December 10 Budget £	April to December 10 Net Expenditure £	Variance Underspend (-) £
General Expenses	3,038,700	2,300,669	2,250,635	-50,034
Special Expenses	29,980	22,485	19,019	-3,466

- 3.4 The above figures show an underspend of £50,034 against the budget to-date for general expenses and an underspend of £3,466 for special expenses; reasons for the former being explained in paragraph 3.6 below.

Key Service Areas

- 3.5 The Key Service Areas report is attached at Appendix B with the REEA service areas highlighted. This report is presented to the Management Team on a monthly basis and highlights the high risk budgets that were identified as part of the Council's budget protocols.
- 3.6 To enable the position reported to be as up-to-date as possible the key service areas report to the end of January 2011 is attached. These budgets are reviewed with budget holders monthly. Those budgets which are more complex in nature are supported by more detailed analysis of the service usage that drives the costs.

Budget Variance Exception Reporting +/- £10k

- 3.7 As part of the budget monitoring process variances are being promptly and proactively managed facilitating more detailed reporting. Details of the potential 'full year' effect of the more significant variations +/-£10k are also set out below.

3.8 Controllable Cost Overspends

Waste Management £18,974

Baxters Building indices for the annual inflationary increase on the contract extension was budgeted at 2% but is 6.09%. Therefore it is anticipated there will be shortfall against the contractor budget lines for the year of £55,000. This will be partially offset by income anticipated to be ahead of budget by £5,000, due to strong prices being achieved on certain materials.

Car Parks and Bus Station £62,893

There has been a shortfall in parking fees particularly in short stay car parks and also in Burton Street. The poor weather in early December had a significant impact on income, and it is anticipated that the year end position for parking fees will be £65,000 below budget.

Development Control £55,869

Income is below budget due to the nature of applications being received. The number of applications has increased compared to the same period last year but few major applications have been received, it is currently anticipated that there will be a £50,000 income shortfall against budget for the year.

Building Control £17,294

The economic climate continues to impact on income levels. Income from plan submission charges are above predicted levels, which offsets some of the below predicted levels on inspection charges. However the anticipated year end position is anticipated to be £10,000 below budget.

3.9 Controllable Cost Underspends

Land Drainage £13,384

This underspend is due to drainage rates invoice for the year not paid, this has been paid in January and therefore the budget will be met for the year.

Local Plans £157,991

Spending is currently lower than anticipated due to long term sickness, restructuring and procedural changes (localism changes due to the change of party in Government) therefore it is anticipated there will be £30,000 transferred into the MLDF reserve at year-end. The Housing Planning Delivery Grant was budgeted at £58,050, this grant

was abolished by the new Government and the income budget will not be met for the year.

Environmental Maintenance £11,307

The current underspend is due to tree survey works being completed for which invoices have not yet been received. The budget is anticipated to be met for the year.

4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 Policy and corporate implications were addressed in setting the current year's budget. There are no further policy and corporate implications arising from this report.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 All financial and resource implications have been addressed within paragraph 3.0.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 Legal implications/powers were addressed in setting the current year's budget. There are no further legal implications arising from this report.

7.0 COMMUNITY SAFETY

7.1 Community safety issues were addressed in setting the current year's budget. There are no further community safety issues arising from this report.

8.0 EQUALITIES

8.1 Equalities issues were addressed in setting the current year's budget. There are no further equalities issues arising from this report.

9.0 RISKS

9.1 The regularity of budget monitoring for each specific budget is based on the level of risk attributed to that budget. This is determined at the start of the financial year and is reported to members as part of the Council Tax setting report.

10.0 CLIMATE CHANGE

10.1 There are no climate change issues arising from this report.

11.0 CONSULTATION

11.1 Budget Holders and the Service Accountant discuss the financial performance of the service accounts at budget monitoring meetings arranged with reference to current budget monitoring protocols.

12.0 WARDS AFFECTED

12.1 All wards are affected.

Contact Officer: Claire Burgess

Date: 16th February 2011

Appendices: Appendix A – Summary of Income & Expenditure
Appendix B – Budget Monitoring – Key Service Areas

Background Papers: Oracle Financial Reports
Budget Holder Comments on Performance

Reference: X/Cttee,Council & Sub Cttees/REEA/201011/160311/Budget Monitoring
Apr- Dec 10