

RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

7 SEPTEMBER 2011

REPORT OF HEAD OF CENTRAL SERVICES

BUDGET MONITORING APRIL TO JUNE 2011

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 2011 to 30th June 2011

2.0 RECOMMENDATION

- 2.1 *It is recommended that the financial position on each of this Committee's services to 30th June 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.
- 3.3 A summary of the income and expenditure for this Committee's services compared to the approved budget at June 2011 is as follows:

	Approved Budget @ June 11 £	April to June 11 Budget £	April to June 11 Net Expenditure £	Variance Underspend (-) £
General Expenses	2,648,660	658,706	638,807	-19,899

- 3.4 The above figures show an underspend of £19,899 against the budget to-date for general expenses; reasons 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. To enable the position reported to be as up-to-date as possible the key service areas report to the end of July 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

3.6 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.

3.6.1 Overspends

Car Parks and Bus Station £12,608

Income levels are below budget, due to penalty charge income currently expected to be less than budget and the parking fees for coaches scheme not expected to be implemented until January at the earliest. Therefore the budget is not expected to be met; the shortfall is currently anticipated to be £5,800.

Development Control £36,010

Income is below budget due to the nature of applications being received. There have been no major applications which attract the larger fees. The budget shortfall for the year is currently expected to be £50,000, although it is still at an early stage in the financial year.

Building Control £23,582

Income is below budget; in particular inspection fees are considerably behind budget caused by reluctance to commence building due to the economic climate. The budget shortfall for the year is currently expected to be £50,000, although it is still at an early stage in the financial year.

Environmental Maintenance £17,651

This overspend is due to two invoices for green waste disposal totalling £21,000 being coded incorrectly to this budget rather than Waste Management. Once these have been recoded to the correct budget it is expected the budget will be met for the year.

3.6.2 Underspends

Environmental Health £11,680

This under spend is due to the cascade restructure removing the charging of salaries of some staff to this budget, the budget has not yet been amended to reflect the new structure. It is anticipated once this has been done the budget will be met for the year.

Waste Management £33,546

This under spend is largely due to miscoding of invoices to the Environmental Maintenance budget as identified in 3.6.1. Also the Baxters inflationary index for 2011-12 has not yet been confirmed and has not been applied to the 2011-12 invoices.

Local Plans £51,680

This under spend is due to income received £40,000 for Vanguard funding relating to Asfordby and Waltham. The budget holder is currently investigating the costs of the work associated with this funding. Also there has been £22,400 received from growth partners, for their contributions towards traffic modelling. A virement needs to be completed to professional fees to cover the costs of the traffic modelling.

Economic Development £19,333

This under spend is due to the cascade restructure removing the charging of salaries of some staff to this budget, the budget has not yet been amended to reflect the new structure. It is anticipated once this has been done the budget will 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: 03.08.11

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

Background Papers: Oracle Financial Reports
Budget Holder Comments on Performance

Reference: X:\Cttee, Council & Sub Cttees\REEA\2011-12\070911