

RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

7 MARCH 2012

REPORT OF HEAD OF CENTRAL SERVICES

BUDGET MONITORING APRIL TO DECEMBER 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 31st December 2011

2.0 RECOMMENDATION

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

2.2 *That the committee agrees to allow utilisation of the Local Development Framework (LDF) Reserve in the sum of £130k (para 3.5 refers) to fund Local Plans expenditure subject to approval from the Policy, Finance & Admin Committee.*

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 December 2011 is as follows:

	Approved Budget @ Dec 11 £	April to Dec 11 Budget £	April to Dec 11 Net Expenditure £	Variance Underspend (-) £
General Expenses	2,571,850	1,866,528	1,981,714	115,186

3.4 The above figures show an overspend of £115,186 against the budget to-date for general expenses; reasons being explained in paragraph 3.7 below.

3.5 Expenditure on the LDF is expected to exceed the budget due to costs incurred on the publication of the core strategy i.e. projects such as SUE Masterplanning and preparation, SUE sustainability appraisal and traffic modelling. The intention of the LDF reserve is to release funds to cover uneven spending patterns on the LDF therefore members are asked to approve a transfer of £130k from the reserve to cover an anticipated overspend on the LDF budget subject to further approval of the PFA

Committee. The balance on the reserve is currently £339,361 prior to the transfer taking place.

Key Service Areas

- 3.6 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 January 2012 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.

3.7.1 Controllable Cost Overspends

Car Parks and Bus Station £26,798

Income is behind budget due to some car park remittances from December not being processed until January, the car park machine web office shows that income in December was on budget. It is anticipated that there will be £2,000 surplus at year-end due to the staff car parking receipts and impact of the new charges from 12th January 2012.

Cattle Market £11,769

Income is behind budget due to the budget being profiled for payments to be received one month in arrears, November's payment was not received until January. The Cattle Market continues to perform strongly and it is anticipated there will be a £4,000 surplus at year-end.

Building Control £70,927

Income is below budget due to the construction industry not recovering from the downturn in the economic climate. In particular inspection fees are considerably below budget caused by reluctance to commence building, as a result it is anticipated there will be a shortfall of £80,000.

3.7.2 Controllable Cost Underspends

Waste Management £74,715

This underspend is a result of inflationary index for 2011-12 having not yet been applied to the contract, the change to the labour element of the index has now been agreed and we are awaiting an invoice from Biffa. The projected year end variance is currently a surplus of £12,000 this is based on the actual inflationary index less the budgeted amount and savings as a result of efficiency discussions.

Tourism £12,904

This underspend is due to the annual invoice for Melton Promotions not being paid until January, this has now been paid and therefore the budget will be met.

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: 01.02.12

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\070312