

RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

4 SEPTEMBER 2012

REPORT OF HEAD OF CENTRAL SERVICES

BUDGET MONITORING APRIL TO JUNE 2012

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 2012 to 30th June 2012

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 2012 is as follows:

	Approved Budget @ June 12 £	April to June 12 Budget £	April to June 12 Net Expenditure £	Variance Under-spend (-) £
General Expenses	2,506,410	716,188	589,404	-126,784

- 3.4 The above figures show an under-spend of £126,784 against the budget to-date for general expenses; the reasons for this being explained in paragraph 3.6 below.

Key Service Areas

- 3.5 The Key Service Areas report for June 2012 is attached at Appendix B with the REEA service areas highlighted, this being the latest available at the date of this meeting. 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. 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

Building Control £10,477

All income streams are below the approved budget. The shortfall for the year is expected to be around £50,000 despite a reduction in the 2012/13 budget of £10,620. However, it is still at an early stage in the financial year to make accurate predictions.

Industrial Estates £16,062

Income is currently below the budget partly due to two vacant units. A statement from the letting agent has also shown £11,000 of arrears for the first quarter which relate to a number of units. Two tenants have arrears of more than their current quarter's rent; one is believed to be in financial difficulties and the other has suffered considerable water damage. Therefore, it is expected that only £8,400 of the first quarter arrears will be recovered. Two further vacant units are due in the autumn and it is expected that the budget shortfall for the year will be £10,000 providing arrears are settled as detailed above.

Economic Development £15,221

Employee related costs have exceeded the budget due to BID monies to cover the additional salary costs not yet transferred to Economic Development. The salary of one standby post and one administrative post need to be transferred to Communities and Neighbourhoods and Customer Services respectively. The costs of the Town Centre Manager for one day per week will be transferred to the Tourism budget. An overspend to date on supplies and services relates to a one off cost for which the budget has now been re-profiled to reflect the pattern of expenditure.

3.6.2 Underspends

Waste Management £148,712

This underspend is due to the May invoice for Biffa not being paid until July. Uptake from the green waste club has been higher than anticipated, with 33% of households taking part compared to the 10% budgeted for. This will result in increased income which is currently anticipated to be £10,000.

Development Control £21,204

This underspend is largely due to income being higher than budget due to a major application received in May. Planning application fees are likely to increase by 15% later in the year due to the new draft planning application fee regulations. The impact of this is not yet known. It is expected that the budget will be in balance for the year despite the above.

Local Plans £20,069

This underspend is due to the Melton Local Development Framework budgeted expenditure not yet profiled to reflect the spending patterns 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: Natasha Bailey

Date: 30 July 2012

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/2012-13/04-09-12/Budget
Monitoring April to June 2012