

RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

4TH MARCH 2015

REPORT OF HEAD OF CENTRAL SERVICES

BUDGET MONITORING APRIL TO DECEMBER 2014

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 2014 to 31st December 2014

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.

3.3 A summary of the income and expenditure for this Committee's services compared to the approved budget at December 2014 is as follows:

	Approved Budget @ December 14 £	April to December 14 Budget £	April to December 14 Net Expenditure £	Variance Underspend (-) £	Year End Forecast £	Year End Variance Underspend (-) £
General Expenses	3,188,940	2,055,293	1,843,906	-211,387	3,140,090	-48,850

3.4 The above figures show a current year end potential underspend of £48,850 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 for those services within the remit of the REEA committee is attached at Appendix B. 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 more significant year end forecast variations +/-£10k (as shown in Appendix A) are also set out below:

3.6.1 Overspends

Cattle Market £24,610

Income from the cattle market continues to decline compared to the same period in 2013/14, particularly in relation to animal auctions for which income for April to December is 8% below that received in the same period of 2013/14. A review of the numbers sold has determined that sheep sales are down 13.5%, pig sales down 30.6% and cattle sales up 5.3% compared to the same period in 2013/14. A decline can also be seen in car boot sales of around 9.5% compared to quarter 1 of 2013/14. Also the budget for the Tavern and Exhibition hall was set based on receiving 8% of turnover as a reduced fee arrangement, final negotiations resulted in a reduced fee arrangement of 6% (year to date difference in income of £5,780). The projected year end variance is based on current trends continuing for the remainder of the year.

It should also be noted that the predicted fall in the value of the Euro against the Pound for next financial year is likely to have an adverse impact on meat exports and this will have a probable knock on effect on volume of sales and prices achieved for livestock adding pressure to next years budget. Therefore the budget for 2015/16 has reduced accordingly to take this into account alongside the continual decline in numbers as outlined above.

Building Control £10,000

Building control income is currently below budget due to lower than expected workload.

3.6.2 Underspends

Development Control £70,000

Development Control income has exceeded budgeted expectations due to the number of major applications received. However, with these larger applications comes a greater demand on resources, increased likelihood of appeals and these will need to be supported from within the existing budget (i.e. the surplus income). The current projected year end variance has taken into account all known additional costs (approx. £20k).

Waste Management £10,370

Baxters index and house number increases in relation to contractor costs were lower than budgeted for leading to an underspend. The majority of this saving has been moved to partially offset the shortfall in income identified below. Monthly variation orders (VOs) vary depending upon the nature of works required - current VOs have remained low and therefore contribute to the estimated year end surplus.

Green waste credits continue to perform well, however there are associated costs which partially offset this additional income, and additional street sweeping credits to those budgeted for are expected as the rate per load has now been agreed. The value per tonne of co-mingled recycling materials has continually declined throughout the year and is now £14.96 below the associated processing costs due to the composition

of waste collected and the values associated with each type, i.e. more glass has been collected which has a lower value. Savings throughout the waste budget and additional green waste tonnages are expected to offset this shortfall.

It should be noted that the year end forecast is based on achieving the same tonnages as 2013/14 as current trends suggest and the level of variation orders remaining low.

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 section 3.

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: 27.01.15
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/2014-15/04 03 15/Budget
Monitoring April to December 2014