

AGENDA ITEM 8

RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

8 SEPTEMBER 2010

REPORT OF HEAD OF FINANCIAL SERVICES

BUDGET MONITORING APRIL TO JUNE 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 30th June 2010

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 2010 is as follows:

	Approved Budget @ June 10 £	April to June 10 Budget £	April to June 10 Net Expenditure £	Variance Underspend (-) £
General Expenses	3,031,060	544,330	211,204	-333,126
Special Expenses	29,980	7,495	6,362	-1,133

- 3.4 The above figures show an underspend of £333,126 against the budget to-date for general expenses and an underspend of £1,133 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. To enable the position reported to be as up-to-date as possible the key service areas report to the end of July 2010 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 £13,888

Income levels are below budget, due to reduced income in short stay car parks in particular Wilton Road and St Marys Way. It is anticipated that this will continue and therefore it is not anticipated that the budget for parking fees will be met this year. This shortfall is currently expected to be £60,000 for the year and is monitored monthly.

Cattle Market £17,603

The overspend is due to a payment for NNDR in excess of the budgeted amount, as a result of a large increase in the rateable value (previous rateable value £86,000 now increased to £183,000). Transitional relief limits the increase that will be paid each year, but the NNDR payment this year is £21,580 ahead of budget. The increase in rateable value will be appealed with the Valuations Office. The income levels at the Cattle Market are on budget as the market continues to perform well.

Development Control £16,973

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 there have been no major applications. One major application will be received in the near future and it is currently anticipated that there will be a £5,000 shortfall against budget for the year.

Local Plans £27,748

This budget is currently showing as overspent due to the requirement to reprofile the income budget to reflect that this is actioned at year-end. Housing Planning Delivery Grant was budgeted at £58,050; this grant has been abolished by the new government. There are proposals to reward house building in an alternative way, this is currently being monitored by officers.

Industrial Estates £10,248

This overspend is mainly due to the invoice for NNDR at 74 Snowhill being charged to this budget in error, this has now been re-coded to Admin Buildings. There is currently one unit vacant and it is anticipated there will be a shortfall of £2,500 against the budget for the year.

3.6.2 Underspends

Waste Management £389,395

The current underspend on this budget is due to the third party payments invoices being in dispute. This has now been resolved and the invoices paid. Baxters engineering indices, Baxters Building indices have now been released for the annual inflationary increase on the contract extension, this was budgeted at 2% but it is 6.09%. Therefore it is anticipated there will be shortfall against budget for the year of £65,000.

Concessionary Fares £37,002

Expenditure is lower than expected due to timing of payments to LCC; the budget will be reprofiled to reflect anticipated expenditure. It is not anticipated that the budget will be met for the year due to increased usage of the scheme; this shortfall is currently expected to be £44,430 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: 10th August 2010

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/Committees/REEA/2010-11/080910/Budget Monitoring Apr-June 10