

# AGENDA ITEM 7

## RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

9<sup>th</sup> MARCH 2016

### REPORT OF HEAD OF CENTRAL SERVICES

#### BUDGET MONITORING APRIL TO DECEMBER 2015

#### 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 1<sup>st</sup> April 2015 to 31<sup>st</sup> December 2015

#### 2.0 RECOMMENDATION

- 2.1 It is recommended that the financial position on each of this Committee's services to 31<sup>st</sup> December and year end forecast 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 2015 is as follows:

	Approved Budget @ December 15 £	April to December 15 Budget £	April to December 15 Net Expen- diture £	Year to date Variance Underspend (-) £	Year End Forecast £	Year End Variance Underspend (-) £
General Expenses	3,087,680	2,318,700	1,820,670	(498,030)	3,102,080	14,410

- 3.4 The above figures show a current year end potential overspend of £14,410 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

##### Environmental Maintenance £18,300

The use of standby staff to cover staff absence and offset high workloads and during the spring & summer to ensure acceptable standards were maintained has resulted in an overspend on employee costs. There has also been an overspend on contract work due to the high demand for remedial works on trees. A further overspend on Repairs and Maintenance budget has been incurred due to the reliance on third party maintenance of equipment.

##### Waste Management £36,570

An initial budget of £62 per tonne was set for the waste income; however this was only £44.49 in quarter 1, £39.86 in quarter 2 and £51.74 in quarter 3. The shortfall is expected to reduce slightly throughout quarter 4 due to additional dry recycling credits and expected additional income from other sources such as bulky collections.

#### 3.6.2 Underspends

##### Car Parks & Bus Stations £11,670

The introduction of 'free after 3pm', throughout November & December was funded by a contribution from the BID. There is an additional day due to the leap year which is expected to produce additional income of circa £1,700. A surplus is assumed, however the next 3 months are notoriously affected by weather conditions.

## **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: Emma Peters

Date: 22.02.2016

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\2015-16\090316\DG – Budget Monitoring Apr to Dec 15