

RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

31st AUGUST 2016

REPORT OF HEAD OF CENTRAL SERVICES

BUDGET MONITORING APRIL TO JUNE 2016

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 2016 to 30th June 2016.

2.0 RECOMMENDATION

- 2.1 **It is recommended that the financial position and year end forecast 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 2016 is as follows:

	Latest Approved Budget @ June 16	April to June 16 Budget	April to June 16 Net Expenditure	Year to date Variance Underspend (-)	Year End Forecast	Year End Variance Underspend (-)
	£	£	£	£	£	£
General Expenses	3,389,980	1,011,691	257,154	-754,537	3,169,190	-220,790

- 3.4 Whilst it is noted that the current variance is an underspend of £755k (£702k of which is controllable), it is estimated that there will be a potential year end underspend of £220,790 against the approved budget to-date for general expenses. The main reason for the shift in the predicted variances are due to a number of movements which are expected later in the year as explained in paragraph 3.6 below. Other reasons for the current year underspend include reserves relating to 2015/16 for which invoices have not yet been received and the profiling of budgets.

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 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

Waste Management £26,890

As only April's invoices had been received, some conservative estimates have been made, in relation to the expected income levels, taking into consideration the contamination levels that have been experienced recently. The overspend is mainly attributed to the dry recycling, which has been forecasted using the 15/16 data, creating a £34k shortfall in income. This has been slightly offset by additional income in other areas and some saving in processing costs for comingled. However this is to be continually reviewed as the year progresses, it is currently thought that the situation will improve.

3.6.2 Underspends

Car Parks & Bus Stations £23,000

Income has exceeded budget expectations throughout quarter 1, this has been attributed to new car parking charges and the re-allocation of part of Burton Street from a long stay to a short stay. The additional income that has been forecast has been based on previous years trends (winter months income lower than quarters 1 & 2).

Development Control £194,080

Income has exceeded budget expectations due to the number and nature of applications received. This is a result of the receipt of a series of larger scale applications for residential development and an exceptionally large development in Melton Mowbray, which commanded a fee without precedent within the Borough. It is anticipated that £200k additional income will be achieved and this is being closely monitored and reported to Management Team on a monthly basis.

Licensing £21,200

There is currently a vacancy within the team, which is currently accruing some savings, the vacant post is to remain vacant for a trial period to review if workloads can be managed by current staff levels. This is to be closely monitored throughout the trial, this forecast is based on the vacancy being successful and continuing for the remainder of 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 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: 09.08.2016
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:\Ctee, Council & Sub Cttees\Rural Economic & Environmental Affairs
Committee\2016-17\310816\Budget Monitoring April to June 2016