

RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

8th MARCH 2017

REPORT OF HEAD OF CENTRAL SERVICES

BUDGET MONITORING APRIL TO DECEMBER 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 31st December 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 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 2016 is as follows:

	Approved Budget @ December 16 £	April to December 16 Budget £	April to December 16 Net Expen- diture £	Year to date Variance Underspend (-) £	Year End Forecast £	Year End Variance Underspend (-) £
General Expenses	3,377,190	2,560,159	1,447,888	-1,112,271	3,200,670	-172,640

- 3.4 Whilst it is noted that the current variance is an underspend of £1,112k (£913k of which is controllable), it is estimated that there will be a potential year end underspend of £172,640 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.

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 shows the position for these services up to the later period of 31st January 2017. Whilst the majority of the budgets are consistent with December's report, there were three budgets that had their expected year positions changed in January's report. These budgets were Car Parking income, which has a reduced expected year end surplus from £16k in December to £6k in January. The Waste income has improved from an income deficit of £43.5k in December to £25k income deficit in January. Planning fee income has reduced its expected year end position from a £150k surplus in December to £130k surplus in January. 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 £25,000

It is currently forecast that a shortfall of income is to be expected of £30k. The shortfall is due to lower than expected recycling prices & lower tonnages being processed. This has been slightly offset by some additional income of bin tags & street sweeping. A saving of £5k on contractor costs is currently anticipated due to less material being processed.

3.6.2 Underspends

Environmental Health £12,770

There is a forecasted underspend of £6.5k due to various staff vacancies throughout the year. There has also been additional income that is expected to achieve a surplus of £6k by the year end. The additional income is from water sampling and Environment Protection Act income.

Development Control £130,000

Income has exceeded budget expectations due to the number and nature of applications received.

Building Control £11,000

New income streams were introduced part way through the year. These include street naming and numbering, completion certificate copies and Clerk of Works service for council property.

Licensing £18,580

The current structure allows for 1.5 FTE's and now there is 1 FTE in post. The saving arises following a trial of 3 months of not recruiting a vacant post. Subsequently it has been decided that this part time vacancy would be filled as workloads were not manageable.

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: 21.02.2017
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\080317\DG - Budget Monitoring Apr to Dec 16