

RURAL ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

30th AUGUST 2017

REPORT OF CORPORATE DIRECTOR

BUDGET MONITORING APRIL TO JUNE 2017

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 2017 to 30th June 2017.

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 2017 is as follows:

	Approved Budget @ June 17	April to June 17 Budget	April to June 17 Net Expen- diture	Year to date Variance (Under) / Over spend	Year End Forecast	Year End Variance (Under) / Over spend
	£	£	£	£	£	£
General Expenses	2,665,050	807,220	414,350	(392,870)	2,797,540	132,490

- 3.4 Whilst it is noted that the current year to date variance is a £392,870 underspend, (£294k of which is controllable), it is estimated that there will be a potential year end overspend of £132,490 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 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 £62,800

It is currently forecast that a saving of £15k within processing costs is expected. However it is also expected that an additional £50k will be required for consultant costs for the new contract. The original budget for the technical advisors was £60k, an update was then provided to this committee in March 2017 that this had increased to £80k, however another update has estimated £90k, resulting in an additional £30k requirement for the technical advisors. In addition to this there is an estimated £10k required for legal fees and a further £10k for prudential borrowing consultancy, The budget included a 1% allowance for the Baxters increase, the Baxter's increase is a basket of indices that were originally set within the contract, the indices are then used to uplift the contract value each year. However this has actually increased by 3.14%, which has resulted in additional overspend of £28,600 within the contractor payments line of the budget.

Car Parks and Bus Station £35,000

There is a current expectation that the budgeted income for car parking fees will not be met, there is a current shortfall of £11.5k which officers believe is due to the availability of alternative free parking in the town. There doesn't seem to be any indication of this improving quarter on quarter and so by the year end it is expected that the shortfall on parking fees will be £46k. Additional income of £11k from the leasing of the Thorpe End car park to Arla reduces the expected shortfall of income to £35k.

Development Control £26,070

There is currently a shortfall in planning application fees and there are no reasons to expect that they will be recovered later in the year. This is partially mitigated by a small surplus on the pre-application advice income.

3.6.2 Underspends

There are currently no budgets forecasting an underspend in excess of £10k.

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: 8th August 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\2017-18\300817\ DG- Budget Monitoring Apr to Jun 17