



PRCC.29 11/12
Prosperous Communities Committee
1 st February 2012

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Report: Monitoring of Revenue Budget Performance based on income and expenditure in the period – 1 April 2011 to 30 November 2011

Report by:

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Purpose / Summary:

This report presents forecasts for annual income and expenditure based on transactions for the period 1st April to 30th November 2011. Explanations are provided for any differences between the forecasts and approved budgets.

RECOMMENDATION:
1) That Members note the contents of the report and the forecast annual budget position for 2011/12 based on income and expenditure to 30 November 2011.

IMPLICATIONS

Legal:
None arising from this report.

Financial :
The current revenue budget monitoring position is explained in the body of this report.

Staffing :
None arising from this report.

Equality and Diversity including Human Rights :
*NB: A full impact assessment **HAS TO BE** attached if the report relates to any new or revised policy or revision to service delivery/introduction of new services.*

Risk Assessment :
None arising from this report.

Climate Related Risks and Opportunities :
None arising from this report.

Title and Location of any Background Papers used in the preparation of this report:
None

Call in and Urgency:

Is the decision one which Rule 14 of the Scrutiny Procedure Rules apply?

Yes

No

Key Decision:

Yes

No

1 Introduction

- 1.1 This report gives Members information on differences between the forecast net expenditure for the year ended 31 March 2012 and the budgets relevant to this Committee. The report is based on the eight month period up to November 2011 and the Directorate structure at that point has been used for presentation purposes.
- 1.2 In respect of the budgets reported all support service recharges have been removed from the figures to present only the direct service costs.
- 1.3 The predicted year end budget position is presented by Directorate, Service and Service Area at Appendix A with a glossary of terms at Appendix B.

2. Committee Overview

- 2.1 The forecast year end net expenditure position for the committee is an over spend of £86k, primarily due to income pressures within Development Management, Land Charges and Building Control services. The pressures on income levels have been offset in part by underspends within other services as outlined below. The overall forecast has changed from a £172k overspend that was previously reported to this Committee. This reduction in forecast overspend reflects an identified saving of £20k relating to Concessionary Fares, an increased saving of £16k within Waste Management and a £53k reduction in the forecast income shortfall for Development Control income. The change in the Development Control income forecast reflects recent increases in the level of planning applications
- 2.2 The table overleaf specifically identifies all service area forecast revenue budget variances over £10k, with smaller forecasts summarised as other overspends and underspends.

**Revenue Budget Variances for the period 1 April 2011 to 31 March 2012
Based on expenditure and income to 30 November 2011**

Service	Annual Budget	Estimated Annual Spend	Variance (-) Underspend / Overspend
	£	£	£
Public Transport	0	-20,000	-20,000
Waste Management	2,208,740	2,167,740	-41,000
Building Control	-78,600	-28,600	50,000
Development Control	-134,650	-54,070	129,580
Local Land Charges	-69,500	-35,500	34,000
Planning Policy - Support Team	168,010	157,960	-10,050
Homelessness & Housing Advice	268,250	228,250	-40,000
Recreation and Sport	519,920	549,920	30,000
Regen & Skills Development	176,160	148,960	-27,200
Other underspends	707,230	670,230	-37,000
Other overspends	557,500	575,500	18,000
Total	4,323,060	4,360,390	86,330

3 Directorate Variations

3.1 Director of Resources

3.1.1. The year end forecast position for service areas under this responsibility is predicted to underspend by £20k. This is due to the actual cost incurred for Public Transport (Concessionary Fares) relating to 2010/11 being less than was provided for.

3.2 Director of Neighbourhoods and Health

3.2.1. The year end forecast position for this Directorate is a predicted overspend of £17k. Building Control income is anticipated to be underachieved by £50k based on current activity levels and the continuing subdued economic climate. This is offset in part by an estimated saving of £41k within Waste Management arising from a reduction in the usage of hired vehicles (£25k) and additional unbudgeted income for the sale of vehicles (£11k). The tables overleaf show further information relating to the income pressure referred to above.

Building Control Breakdown of income and expenditure budget for 2011-2012

	Annual Budget			Annual Forecast	
	Income	Expenditure	Net Expenditure	Net Expenditure	Variance
Building Control	-261,500	182,900	-78,600	-28,600	50,000

Building Control Details of income received compared to budget at 30 November 2011

	Annual Income Budget	Income Budget to date	Income Received to Date	Variance to date
Building Control	-261,500	-173,368	-143,802	29,566

3.3 Director of Strategy and Regeneration

3.3.1. The year end forecast position is predicted to be a budget overspend of £89k. Within this Directorate budget forecast the pressure on overall fee income within Development Services is estimated at £164k:

- Planning Fee income is tied to economic conditions in that the downturn which has affected the housing market has a negative impact on both numbers of applications and the type of application.
- Pre-Application Advice Fee income is market driven and additional work is being undertaken to promote this service. Together with planning fee income the overall estimated income shortfall is £130k.
- Land Charges is directly affected by two main economic factors; the overall low number of approved mortgages which is slowing the resale housing market and a fall in the volume of developers purchasing and developing land at this time. An income shortfall of £34k is forecast.

The table below shows further information relating to the above income pressures.

Development Control and Land Charges - Breakdown of income and expenditure budgets for 2011-2012

	Annual Budget £			Annual Forecast £	
	Income	Expenditure	Net Expenditure	Net Expenditure	Variance
Development Control	-560,000	425,350	-134,650	-5,070	129,580
Land Charges	-176,000	106,500	-69,500	-35,500	34,000

Development Control and land Charges - Details of income received compared to budget at 30 November 2011

	Annual Income Budget £	Income Budget to date £	Income Received to Date £	Variance to date £
Development Control - Applications Fee	-500,000	-333,400	-252,819	80,581
Development Control - Pre Application Advice	-60,000	-40,008	-18,371	21,637
Land Charges	-176,000	-73,373	-49,238	24,135

3.3.2 The income pressures identified above will be managed across the Council's budgets, in part by the in year savings within this committee's budgets but primarily from Policy and Resources savings and under spends. The ongoing income pressures for Planning, Land Charges and Building Control have been addressed within the 2012/13 Budget Planning Process.

3.3.3 A further anticipated overspend (£30k) is anticipated due to the need to install a new gas supply and an anticipated increase in the cost of gas to the Leisure Centre. (The Council is liable for these costs as per the Leisure Management Contract). Savings are anticipated within the Housing, Renewal and Community Safety service, relating to the Housing and Homelessness advice service (£40k) and within the Regeneration Services, where staffing savings are anticipated due to a vacant post (£28k).

PROSPEROUS COMMUNITIES COMMITTEE REVENUE BUDGET FORECAST 2011/12

APPENDIX A

Service	Area	Director	Annual Budget £	Predicted Year End Spend £	<u>Predicted Year End Spend</u> <u>Variance to Annual Budget</u>
Financial Services	Housing Advncs & Support to RSL's	Adrian McCormick	700	700	0
Revenues Benefits & Customer Services	Public Transport	Adrian McCormick	0	-20,000	-20,000
	Director of Resources Total		700	-19,300	-20,000
Operational Services	Public Conveniences	James Nicholson	79,870	79,870	0
	Street Cleansing	James Nicholson	493,560	493,560	0
	Waste Management	James Nicholson	2,208,740	2,167,740	-41,000
Public Protection Services	Environmental Protection	James Nicholson	242,550	244,550	2,000
	Food Safety	James Nicholson	130,800	135,800	5,000
	Health & Safety at Work	James Nicholson	50,770	50,770	0
	Licences - Community	James Nicholson	-16,200	-16,200	0
	Parish Lighting	James Nicholson	56,000	52,000	-4,000
	Primary Care Trust	James Nicholson	0	0	0
	Recreation & Sport	James Nicholson	49,460	49,460	0
Technical & Contracts	Building Control	James Nicholson	-78,600	-28,600	50,000
	Car Parks	James Nicholson	159,020	159,020	0
	Cemetery & Mortuary Services	James Nicholson	24,720	24,720	0
	Environmental Protection	James Nicholson	7,740	7,740	0
	Open Spaces Parks	James Nicholson	58,150	58,150	0
	Town Centre Management	James Nicholson	-153,580	-148,580	5,000
	Director of Neighbourhoods & Health Total		3,313,000	3,330,000	17,000

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PROSPEROUS COMMUNITIES COMMITTEE REVENUE BUDGET FORECAST 2011/12

APPENDIX A

Service	Area	Director	Annual Budget	Predicted Year End Spend	<u>Predicted Year End Spend</u> <u>Variance to Annual Budget</u>
			£	£	
Dev/Regen/ Housing Renewal & Community Safety	Culture & Heritage - Arts	Rachel North	252,800	248,800	-4,000
Development Services	Development Control	Rachel North	-134,650	-5,070	129,580
	Env.Initiatives - Conservation	Rachel North	16,620	16,620	0
	Env.Initiatives - Sus.Dev	Rachel North	3,730	3,730	0
	Genl Grants; Bequests & Dontns	Rachel North	94,140	94,140	0
	Local Land Charges	Rachel North	-69,500	-35,500	34,000
	Open Spaces - BTCV/Wolds	Rachel North	64,620	64,620	0
	Other Planning	Rachel North	115,700	115,700	0
	Planning Policy - Forward Planning	Rachel North	88,650	88,650	0
	Planning Policy - Support Team	Rachel North	168,010	157,960	-10,050
Housing Renewal & Community Safety	Community Safety	Rachel North	337,730	343,730	6,000
	Homelessness & Housing Advice	Rachel North	268,250	228,250	-40,000
	Housing Strategy	Rachel North	228,980	219,980	-9,000
	Private Sector Housing Renewal	Rachel North	121,290	112,290	-9,000
	Welfare Services	Rachel North	38,160	36,160	-2,000
Human Resources	Press & Public Relations	Rachel North	8,000	8,000	0
Regeneration Services	Economic Development	Rachel North	269,330	269,330	0
	Public Transport	Rachel North	48,600	48,600	0
	Recreation & Sport	Rachel North	519,920	549,920	30,000
	Regen & Skills Development	Rachel North	176,160	148,960	-27,200
	Tourism	Rachel North	10,000	10,000	0
	Town Centre Management - Markets	Rachel North	690	690	0
	Town Centre Manager	Rachel North	32,470	32,470	0
	Village Halls - Comm Develop.	Rachel North	10,000	1,000	-9,000
	Director of Strategy & Regeneration Total		2,669,700	2,759,030	89,330
	Prosperous Communities		5,983,400	6,069,730	86,330

Headings within the tables are explained as follows:-

- Service - Responsible Service Manager
- Area - Service element of the overall Committee budget.
- Director - Responsible Director
- Annual Budget - The total budget agreed for the service for the year.
- Predicted year end spend- Estimated year end position
- Variance to annual budget This is the difference between total estimated year end position and the annual budget. Shown in numeric form, a positive figure reveals an overspend against current budget.