



PRCC.32 12/13

Prosperous Communities
Committee

12 February 2013

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**Progress and Delivery – Finance Report
(based on income and expenditure in the period – 1 April 2012 to
30 November 2012)**

Report by: Financial Services Manager (Section 151 Officer)

Contact Officer: Tracey Bircumshaw
Group Accountant-Service Accounting
Telephone 01427-656560
Email Tracey.Bircumshaw@west-lindsey.gov.uk

Purpose / Summary: This report presents forecasts for annual income and expenditure based on transactions for the period 1st April to 30th November 2012. Explanations are provided for any differences between the forecasts and approved budgets.

Review of the year to date with consideration of implications in future years.

RECOMMENDATION(S):

1) That Members note the contents of the report and the forecast annual budget position for 2012/13 based on income and expenditure to 30 November 2012.

IMPLICATIONS

Legal:

None arising from this report.

Financial : FIN/7

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 :

Assessments of impacts were undertaken by Services as part of the Budget setting process.

NB: Please explain how you have considered the policy's impact on different groups (for example: young people, elderly, ethnic minorities, LGBT community, rural residents, disabled, others).

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 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

PROSPEROUS COMMUNITIES COMMITTEE REVENUE BUDGET FORECAST 2012/13

1 Introduction

- 1.1 This report gives Members information on variances between the forecast net expenditure for the year ended 31 March 2013 and the budgets relevant to this Committee. The report is based on the eight month period up to 30 November 2012. The financial information has been presented in an income and expenditure layout.
- 1.2 The budgets reported exclude support service recharges in order to reflect direct service costs.
- 1.3 The predicted year end budget position is presented by Income and Expenditure at Appendix A and then by Service Area at Appendix B-D, with a glossary of terms at Appendix E.

2 Committee Overview

- 2.1 The forecast year end net expenditure position for the Committee is a small deficit of £14k. The overall forecast has improved from that reported to this Committee in September of £135k deficit. The major changes creating this improved position are, £65k relating to fee income, and staff savings of £14k within Development Control and a further increased saving of £38k within Street Cleansing.
- 2.2 The Services within this Committee are projecting to utilise £288k of earmarked reserves as revenue schemes progress.
- 2.3 The following tables and information give a more detailed and informative analysis of the major variances between the 2012/13 annual budget and the year end forecast position.
- 2.4 **Revenue Budget Surplus 2012/13**

The table below summarises the Prosperous Communities Committee, year end forecast position as estimated by budget holders. The forecast currently reflects an estimated deficit of £14k.

	Annual Budget	Year End Forecast Position	Year End Variance Surplus (-) / Deficit
	£	£	£
Chief Executive/Resources	89,000	86,310	-2,690
Communities & Localism	3,843,100	3,871,800	28,700
Regeneration & Planning	1,870,100	1,858,440	-11,660
Total	5,802,200	5,816,550	14,350

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**2.4 Revenue Budget Variances for the period 1 April 2012 to 31 March 2013
Based on expenditure and income to 30 November 2012**

The table below further details the Committee's year end forecast position, reflecting surplus and deficit variances above +/- £10k, analysed by Service.

Service	Annual Budget	Year End Forecast Position	Year End Variance Surplus (-) / Deficit
	£	£	£
Chief Executive/Resources			
Other budget deficit under £10k	81,000	85,500	4,500
Other budget surplus under -£10k	8,000	810	-7,190
Total	89,000	86,310	-2,690
Communities & Localism			
Food Safety	114,910	96,190	-18,720
Genl Grants; Bequests & Dontns	230,860	249,350	18,490
Street Cleansing	502,820	464,820	-38,000
Waste Management	2,066,750	2,118,420	51,670
Other budget deficit under £10k	909,690	927,730	18,040
Other budget surplus under -£10k	18,070	15,290	-2,780
Total	3,843,100	3,871,800	28,700
Regeneration & Planning			
Building Control	-27,070	53,130	80,200
Development Control	-55,240	-203,990	-148,750
Local Land Charges	-35,400	-20,400	15,000
Planning Policy - Support Team	81,060	98,020	16,960
Planning Policy - F'ward Plann	86,940	73,940	-13,000
Private Sector Housing Renewal	103,070	101,970	-1,100
Recreation & Sport	531,230	548,810	17,580
Other budget deficit under £10k	808,660	838,240	29,580
Other budget surplus under -£10k	376,850	368,720	-8,130
Total	1,870,100	1,858,440	-11,660
Prosperous Communities Total	5,802,200	5,816,550	14,350

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3 Variations and Reasons for variances.

The following tables illustrate forecast variances as at the year end by Income and Expenditure classifications. Detailed explanations of major variances are provided below.

3.1 Chief Executive / Resources

	Annual Budget	Year End Forecast	Year End Variance
	£	£	Surplus (-) / Deficit
	£	£	£
Income			
Government Grants			
Other Grants & Receipts			
Customer & Client Receipts			
Other Income	-2,190	-2,190	0
Sales, Fees & Charges	-1,850	-1,850	0
Interest			
Total Income	-4,040	-4,040	0
Expenditure			
Employees			
Premises Related	64,950	69,450	4,500
Transport Related			
Supplies & Services	20,090	15,190	-4,900
Third Party Payments			
Transfer Payments	8,000	5,710	-2,290
Total Expenditure	93,040	90,350	-2,690
Net Total	97,080	94,390	-2,690
Net Total Variance to Budget Surplus(-) / Deficit			-2,690

3.1.1 The year end forecast position for the Chief Executive and Resources is a surplus of £2.7k. Savings of £2k achieved through Lincolnshire Show costs being less than budgeted and the cashing in of unused taxi tokens of £5k have been offset by additional repairs and maintenance being required to stone walls in churchyards of £4.5k.

3.1.2 Appendix B gives an analysis of this forecast income and expenditure by Service Manager.

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3.2 Communities and Localism

	Annual Budget	Year End Forecast	Year End Variance
	£	£	Surplus (-) / Deficit
	£	£	£
Income			
Government Grants	41,390	41,390	0
Other Grants & Receipts	160,170	179,170	-19,000
Customer & Client Receipts			0
Other Income	3,920	9,300	-5,380
Sales, Fees & Charges	306,770	277,690	29,080
Interest			0
Total Income	512,250	507,550	4,700
Expenditure			
Employees	2,374,930	2,361,930	-13,000
Premises Related	58,760	66,010	7,250
Transport Related	1,129,990	1,127,560	-2,430
Supplies & Services	469,430	494,920	25,490
Third Party Payments	153,520	141,460	-12,060
Transfer Payments	168,720	187,470	18,750
Total Expenditure	4,355,350	4,379,350	24,000
Net Total	3,843,100	3,871,800	28,700
Net Total Variance to Budget Surplus(-) / Deficit			28,700

3.2.1 The year end forecast for Communities and Localism is a deficit of £29k. The significant variances for each Service are detailed below.

3.2.2 Operational Services year end position is a deficit of £14k. Waste Management are estimating an additional cost of £52k within the service relating to changes associated with the green waste collection of £25k and an income pressure £24k associated with less use of the bulky and trade waste service as well as sales of replacement bins. The Street Cleansing service is estimating unbudgeted income of £19k generated through the negotiation of a service level agreement to weed spray the local area and a saving of £19k relating to reduced costs associated with road sweepings now going to landfill.

3.2.3 The Localism service is predicting a deficit of £30k. There is a long standing deficit funding agreement with Acis which is under review with Legal services. The current position is that the deficit is £18k higher than originally anticipated. Negotiations with Acis are currently being undertaken in relation to this deficit and it is hoped a resolution will be to the Council's benefit.

3.2.4 The Public Protection service is estimating a year end surplus of £15k. This is primarily due to a vacancy.

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3.2.5 Appendix C gives an analysis of the forecast income and expenditure by Service Manager.

3.3 Regeneration and Planning

	Annual Budget	Year End Forecast Position	Year End Variance Surplus (-) / Deficit
	£	£	£
Income			
Government Grants	234,030	273,530	-39,500
Other Grants & Receipts	117,760	162,760	-45,000
Customer & Client Receipts			0
Other Income	464,390	453,360	11,030
Sales, Fees & Charges	1,121,130	1,213,900	-92,770
Interest			0
Total Income	1,937,310	2,103,550	-166,240
Expenditure			
Employees	1,707,460	1,703,430	-4,030
Premises Related	505,650	498,050	-7,600
Transport Related	59,350	68,530	9,180
Supplies & Services	150,710	253,090	102,380
Third Party Payments	1,260,150	1,290,300	30,150
Transfer Payments	124,090	148,590	24,500
Total Expenditure	3,807,410	3,961,990	154,580
Net Total	1,870,100	1,858,440	-11,660
Net Total Variance to Budget Surplus(-) / Deficit			-11,660

3.3.1 The year end forecast for Regeneration and Planning is a surplus of £12k. The significant variances are detailed below.

3.3.2 The Strategic Growth service is predicting a deficit of £8k. The main reason being a £12k income pressure associated with market stall fees. A review of the market strategy is currently being undertaken. This includes the establishment of a Market Development group as part of the Town Centre Partnership.

The Private Sector Housing Renewal function has recently been informed that Lincolnshire County Council will provide grant funding of £125k towards the Independent Living pilot project. This is currently expected to be fully expended by the year end, and therefore no variances are reflected.

3.3.3 The Development and Neighbourhoods Service is predicting a budget surplus of £20k. The main contributory factors are detailed below;

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- Building Control are estimating a deficit of £80k. This is primarily due to estimated income levels being £70k less than budget and a one-off compensation payment of £24k being offset by a saving due to a staff vacancy.
- Land Charges are anticipating a shortfall in income of £20k compared to budget. Income 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. A saving of £5k is anticipated due to a vacancy. The current service provision is being reviewed in terms of streamlining the process and improving our offer and market share.
- Planning Policy – Support Team is predicting a deficit of £17k associated with temporary staffing costs required to assist with planning administration work.
- Development Control is estimating a surplus of £149k primarily due to the overachievement on their income budget by £135k. Additional income of £150k relating to planning application fees is due to some significantly sized individual planning fees and the impact of the fee increases which were implemented in November 2012. Pre-Application Advice Fee income is expected to be under achieved by £15k. Staffing vacancies are estimated to generate an in year saving of £21k.
- Recreation and Sport is estimating a deficit of £18k due to the current leisure service review and condition survey required on the Leisure Centre. It is anticipated that this review will identify future savings for the service.

An improvement plan is currently underway for the Development and Neighbourhoods service which includes improving technology, customer focus, governance and staffing, to address issues that are contributing to a reduction in income.

Due to the considerable impact on the overall budget position, in relation to income levels, further detail is provided below.

Building Control, Development Control and Land Charges - Breakdown of income and expenditure budgets for 2012-2013

Service	Annual Budget £			Forecast Yr end Position £	
	Income	Expenditure	Net Expenditure	Net Expenditure	Variance
Building Control	-246,500	219,430	-27,070	53,130	80,200
Development Control	-435,000	379,760	-55,240	-203,990	-148,750
Land Charges	-125,000	89,600	-35,400	-20,400	15,000

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**Building Control, Development Control and Land Charges - Details of
income received compared to budget at 31 March 2013**

	Annual Income Budget	Forecast Income Received	Variance
	£	£	£
Building Control	-246,500	-176,500	70,000
Development Control - Applications Fee	-385,000	-535,000	-150,000
Development Control - Pre Application Advice	-50,000	-35,000	15,000
Land Charges	-125,000	-105,000	20,000

3.3.4 Appendix D gives an analysis of the forecast income and expenditure by Service Manager.

**4. REVIEW OF THE YEAR TO DATE AND CONSIDERATION OF
IMPACTS ON FUTURE YEARS**

The Prosperous Communities Committee's base budget included an overall reduction of £470k due to a variety of anticipated savings and pressures.

Whilst overall, Services are currently projecting an out-turn within the approved budget, as detailed at 2.4 above, there are a number of surplus and deficits. In addition £288k of earmarked reserves have been utilised for the purpose for which they were set aside.

The main area of risk, remains that of income targets within the Committee, specifically relating to Building Control, Development Control and Land Charges, and which remain difficult to estimate in the current economic climate. A number of large Planning Applications fees have been received this year which is offsetting lower than expected Building Control and Land Charge income targets for example. Income will remain a significant risk within the Medium Term Financial Plan.

The suspension of the green garden collection over winter and the ongoing round reviews identified a saving of £160k within the base budget, however after consultation with the community a longer period of collection was agreed resulting in a £52k pressure in the current year, the profile of this expenditure is such that it will not have any future consequences.

**PROSPEROUS COMMUNITIES COMMITTEE REVENUE BUDGET
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APPENDIX A

INCOME

Service	Annual Income Budget	Year End Forecast Position	Year End Variance Surplus (-) / Deficit
	£	£	£
Chief Executive/Resources			
Cemetery & Mortuary Services	-2,190	-2,190	0
Open Spaces - Parks	-1,850	-1,850	0
Total	-4,040	-4,040	0
Communities & Localism			
Community Safety	-6,830	-1,000	5,830
Environmental Protection	-13,910	-17,700	-3,790
Food Safety	-1,030	-500	530
Homelessness & Housing Advice	-41,390	-41,390	0
Licences - Community	-122,550	-124,900	-2,350
Primary Care trust	-160,170	-160,170	0
Street Cleansing	-57,080	-76,080	-19,000
Waste Management	-109,290	-85,810	23,480
Total	-512,250	-507,550	4,700
Regeneration & Planning			
Building Control	-246,500	-176,500	70,000
Car Parks	-210,530	-210,530	0
Culture & Heritage - Arts	-27,200	-79,000	-51,800
Development Control	-435,000	-570,000	-135,000
Economic Development	-98,600	-98,600	0
Homelessness & Housing Advice	-230,860	-240,140	-9,280
Housing Strategy	-95,000	-95,000	0
Local Land Charges	-125,000	-105,000	20,000
Planning Policy - F'ward Plann	-500	-33,500	-33,000
Planning Policy - Support Team	-2,000	-500	1,500
Private Sector Housing Renewal	-147,330	-161,700	-14,370
Regeneration & Skills Develop.	-53,810	-85,000	-31,190
Town Centre Management	-185,560	-180,560	5,000
Town Centre M'ment - Markets	-79,420	-67,520	11,900
Total	-1,937,310	-2,103,550	-166,240
Prosperous Communities Total	-2,453,600	-2,615,140	-161,540

**PROSPEROUS COMMUNITIES COMMITTEE REVENUE BUDGET
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APPENDIX A

EXPENDITURE

Service	Annual Expenditure Budget £	Year End Forecast Position £	Year End Variance Surplus (-) / Deficit £
Chief Executive/Resources			
Cemetery & Mortuary Services	26,160	30,660	4,500
Open Spaces - Parks	58,880	58,880	0
Press & Public Relations	8,000	5,710	-2,290
Public Transport	0	-4,900	-4,900
Total	93,040	90,350	-2,690
Communities & Localism			
Car Parks	25,150	25,150	0
Community Safety	391,790	394,790	3,000
Community Transport	46,900	46,900	0
Culture & Heritage - Arts	106,400	108,400	2,000
Culture & Heritage - ESF	16,350	16,800	450
Environmental Protection	245,040	249,840	4,800
Food Safety	115,940	96,690	-19,250
Genl Grants; Bequests & Dontns	230,860	249,350	18,490
Health & Safety at Work	48,410	46,980	-1,430
Homelessness & Housing Advice	40,980	40,980	0
Licences - Community	92,210	93,210	1,000
Parish Lighting	38,990	44,740	5,750
Primary Care trust	160,430	160,430	0
Public Conveniences	59,960	59,960	0
Street Cleansing	559,900	540,900	-19,000
Waste Management	2,176,040	2,204,230	28,190
Total	4,355,350	4,379,350	24,000
Regeneration & Planning			
Building Control	219,430	229,630	10,200
Car Parks	373,300	373,300	0
Culture & Heritage - Arts	156,710	201,650	44,940
Development Control	379,760	366,010	-13,750
Economic Development	347,280	347,280	0
Env. Initiatives - Sus. Dev.	34,100	34,100	0
Env. Initiatives-Conservation	16,710	16,710	0
Environmental Protection	7,740	7,740	0
Homelessness & Housing Advice	464,660	478,760	14,100
Housing Strategy	305,980	304,740	-1,240
Local Land Charges	89,600	84,600	-5,000
Open Spaces - BTCV / Wolds	65,060	65,060	0
Other Planning	171,400	171,400	0
Planning Policy - F'ward Plann	87,440	107,440	20,000
Planning Policy - Support Team	83,060	98,520	15,460
Private Sector Housing Renewal	250,400	263,670	13,270
Recreation & Sport	531,230	548,810	17,580
Regeneration & Skills Develop.	24,090	64,460	40,370
Tourism	23,110	28,210	5,100
Town Centre Management	42,260	42,260	0
Town Centre Manager	10,000	10,000	0
Town Centre M'ment - Markets	77,730	71,310	-6,420
Village Halls - Comm. Develop	10,000	10,000	0
Welfare Services	36,360	36,330	-30
Total	3,807,410	3,961,990	154,580
Prosperous Communities Total	8,255,800	8,431,690	175,890

**PROSPEROUS COMMUNITIES COMMITTEE REVENUE BUDGET
FORECAST 2012/13**

APPENDIX B

Forecast Year End Position @ November 12	E Redwood	A Robinson	A Reeks
Resources	OD & Communications	Revenues, Benefits & Customer Services	Corporate Governance & Business Improvements
	£	£	£
<u>Income</u>			
Government Grants			
Other Grants & Receipts			
Sales, Fees & Charges			1,850
Other Income			2,190
Interest			
Total Income	0	0	4,040
<u>Expenditure</u>			
Employees			
Premises Related			69,450
Transport Related			
Supplies & Services		-4,900	20,090
Third Party Payments			
Transfer Payments	5,710		
Total Expenditure	5,710	-4,900	89,540
Net Total	5,710	-4,900	85,500
Approved Budget	8,000	0	81,000
Transfer (to) / from specific reserves	0	0	0
Variance to Budget Surplus (-)/Deficit	-2,290	-4,900	4,500
Sub Total Budget Surplus Variance by Directorate			-2,690

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APPENDIX C

Forecast Year End Position @ November 12	R North	C Allen	G Pilkington	J Riddell
	Director of Communities & Localism	Public Protection	Operational Services	Localism
Communities & Localism	£	£	£	£
Income				
Government Grants	41,390			
Other Grants & Receipts		160,170	19,000	0
Sales, Fees & Charges		133,800	142,890	1,000
Other Income		9,300	0	0
Interest				
Total Income	41,390	303,270	161,890	1,000
Expenditure				
Employees	37,920	454,540	1,526,100	343,370
Premises Related		34,040	31,970	0
Transport Related	2,610	26,950	1,077,190	20,810
Supplies & Services	450	91,960	150,640	251,870
Third Party Payments		94,550	19,190	27,720
Transfer Payments		15,000		172,470
Total Expenditure	40,980	717,040	2,805,090	816,240
Net Total	-410	413,770	2,643,200	815,240
Approved Budget	-410	409,510	2,642,230	596,810
Transfer (to) / from specific reserves		19,000	-12,700	188,660
Variance to Budget Surplus (-)/Deficit	0	-14,740	13,670	29,770
Sub Total Budget Deficit Variance by Directorate				28,700

**PROSPEROUS COMMUNITIES COMMITTEE REVENUE BUDGET
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APPENDIX D

Forecast Year End Position @ November 12	S Fysh	G Lockett
Regeneration & Planning	Development & Neighbourhoods	Strategic Growth
	£	£
<u>Income</u>		
Government Grants	33,500	240,030
Other Grants & Receipts		162,760
Sales, Fees & Charges	929,000	284,900
Other Income	42,000	411,360
Interest		
Total Income	1,004,500	1,099,050
<u>Expenditure</u>		
Employees	890,070	813,360
Premises Related	88,230	409,820
Transport Related	34,710	33,820
Supplies & Services	162,360	90,730
Third Party Payments	702,690	587,610
Transfer Payments	78,450	70,140
Total Expenditure	1,956,510	2,005,480
Net Total	952,010	906,430
Approved Budget	904,484	872,580
Transfer (to) / from specific reserves	67,486	25,550
Variance to Budget Surplus (-)/Deficit	-19,960	8,300
Sub Total Budget Surplus Variance by Directorate		-11,660

Headings within the tables on Appendix A are explained as follows:-

- Service - Service element of the overall Committee budget.
- Annual Budget - The total budget agreed for the service for the Year
- Forecast Year End Position - Predicted year end position as estimated by budget holder.
- Year End Variance Surplus (-)/Deficit - This is the difference between predicted year end position and the annual budget. Shown in numeric form, a positive figure represents a deficit against current budget.