



PRCC.17 12/13

Prosperous Communities
Committee

18th September 2012

E

**Progress and Delivery – Finance Report
(based on income and expenditure in the period – 1 April 2012 to 31 July
2012)**

Report by:

Financial Services Manager (Section 151 Officer)

Contact Officer:

Frank O'Brien
Interim Group Accountant
01427 676542
frank.o'brien@west-lindsey.gov.uk

Purpose / Summary:

This report presents forecasts for annual income and expenditure based on transactions for the period 1st April to 31st July 2012. 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 2012/13 based on income and expenditure to 31 July 2012.

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 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 four month period up to 31 July 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 Directorate and Service Area at Appendix A 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 deficit of £135k. A significant element of this deficit has resulted from income shortfalls being forecast across several service areas – Operational Services (£25k), Building Control (£70k), Land Charges (£19k), Markets (£12k).
- 2.2 The tables below and overleaf specifically identify, firstly by Directorate and then by service area, all service area forecast revenue budget variances over £10k, with smaller forecasts summarised as other overspends and underspends.

Revenue Budget Surplus by Directorate 2012/13

Directorate	Annual Budget	Year End Forecast Position	Year End Variance Surplus (-) / Deficit
	£	£	£
Chief Executive/Resources	74,650	81,150	6,500
Communities & Localism	3,876,184	3,938,954	62,770
Regeneration & Planning	1,865,300	1,930,870	65,570
Total	5,816,134	5,950,974	134,840

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

Service	Annual Budget	Year End Forecast Position	Year End Variance Surplus (-) / Deficit
	£	£	£
Cemetery & Mortuary Services	19,970	28,470	8,500
Open Spaces - Parks	46,680	46,680	0
Press & Public Relations	8,000	6,000	-2,000
Chief Executive/Resources	74,650	81,150	6,500
Culture & Heritage - Arts	164,070	181,470	17,400
Waste Management	2,060,750	2,103,540	42,790
Other budget deficit under £10k	1,532,914	1,543,914	11,000
Other budget surplus under -£10k	118,450	110,030	-8,420
Director of Communities & Localism	3,876,184	3,938,954	62,770
Building Control	-25,490	56,210	81,700
Development Control	-53,610	-123,610	-70,000
Local Land Charges	-35,400	-16,400	19,000
Planning Policy - Support Team	76,020	94,020	18,000
Town Centre M'ment - Markets	-1,690	10,210	11,900
Other budget deficit under £10k	996,630	1,010,410	13,780
Other budget surplus under -£10k	908,840	900,030	-8,810
Director of Regeneration & Planning	1,865,300	1,930,870	65,570
Prosperous Communities Total	5,816,134	5,950,974	134,840

3 Directorate Variations

3.1 Chief Executive / Resources Directorate

	Annual Budget	Year End Forecast Position	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			0
Premises Related	50,600	59,100	8,500
Transport Related			0
Supplies & Services	20,090	20,090	0
Third Party Payments			0
Transfer Payments	8,000	6,000	-2,000
Total Expenditure	78,690	85,190	6,500
Net Total	74,650	81,150	6,500
Net Total Variance to Budget Surplus(-) / Deficit			6,500

- 3.1.1 The year end forecast position for this Directorate is a deficit of £6.5k. This is due to additional repairs and maintenance being required to stone walls in churchyards of £8.5k offset by savings achieved through the Lincolnshire Show costs being less than budgeted.
- 3.1.2 Appendix B shows the breakdown of this directorate by Service Manager.

3.2 Director of Communities and Localism

	Annual Budget	Year End Forecast Position	Year End Variance Surplus (-) / Deficit
	£	£	£
Income			
Government Grants	41,390	41,390	0
Other Grants & Receipts	160,170	178,170	-18,000
Customer & Client Receipts			0
Other Income	3,920	3,920	0
Sales, Fees & Charges	306,770	261,980	44,790
Interest			0
Total Income	512,250	485,460	26,790
Expenditure			
Employees	2,377,750	2,392,580	14,830
Premises Related	60,100	60,100	0
Transport Related	1,129,190	1,130,190	1,000
Supplies & Services	538,714	556,114	17,400
Third Party Payments	129,720	132,470	2,750
Transfer Payments	152,960	152,960	0
Total Expenditure	4,388,434	4,424,414	35,980
Net Total	3,876,184	3,938,954	62,770
Net Total Variance to Budget Surplus(-) / Deficit			62,770

- 3.2.1 The year end forecast for service areas under this responsibility is a deficit of £63k. The significant variances are detailed below.
- 3.2.2 Operational Services year end position is a deficit of £50k. Waste Management are estimating an additional cost of £43k within the service relating to changes associated with the green waste collection of £25k and an income pressure of £18k associated with less use of the bulky and trade waste service as well as sales of replacement bins. The Street Cleansing service is also estimating a £7k shortfall of income relating to recycling credits of £25k no longer being received offset by additional income generated through the negotiation of a service level agreement to weed spray the local area.
- 3.2.3 The Localism service is predicting a deficit of £20k. This is primarily due to deficit funding at Park Springs Community Centre being £17k over budget - the Council is committed to indemnify any shortfall in budget where income generated can not support the annual revenue costs.
- 3.2.4 Appendix C shows the breakdown of this directorate by Service Manager.

3.3 Director of Regeneration and Planning

	Annual Budget	Year End Forecast Position	Year End Variance Surplus (-) / Deficit
	£	£	£
Income			
Government Grants	234,030	254,030	-20,000
Other Grants & Receipts	117,760	132,760	-15,000
Customer & Client Receipts			0
Other Income	339,390	329,660	9,730
Sales, Fees & Charges	1,121,130	1,104,250	16,880
Interest			
Total Income	1,812,310	1,820,700	-8,390
Expenditure			
Employees	1,689,570	1,700,140	10,570
Premises Related	521,650	516,520	-5,130
Transport Related	57,860	64,490	6,630
Supplies & Services	150,710	185,330	34,620
Third Party Payments	1,133,730	1,137,000	3,270
Transfer Payments	124,090	148,090	24,000
Total Expenditure	3,677,610	3,751,570	73,960
Net Total	1,865,300	1,930,870	65,570
Net Total Variance to Budget Surplus(-) / Deficit			65,570

3.3.1 The year end forecast for this Directorate is a deficit of £66k. The significant variances are detailed below.

3.3.2 The Strategic Growth service is predicting a deficit of £12k due to an income pressure associated with market stall fees. A review of the market strategy is currently being undertaken and the income pressure has been identified to be addressed within the 2013/14 budget setting process.

3.3.3 The Development and Neighbourhoods Service is predicting a budget deficit of £49k. This is shown in the breakdown below.

- Building Control are estimating a deficit of £81k. This is primarily due to expected income levels being £70k less than budget and a compensation payment of £24k being offset by a saving due to a staff vacancy.
- Land Charges are anticipating a shortfall in income of £19k 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.
- Planning Policy – Support Team is predicting an overspend of £18k associated with temporary staffing costs required to assist with planning and land charges administration work.
- Development Control is anticipating to overachieve on their income budget by £70k. Additional income of £80k relating to planning application fee income is due to receiving some significant sized planning fees and the

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.

- 3.3.4 A ministerial announcement, made in July, has proposed that fees are to be increased by a one-off adjustment to up-rate fees in line with inflation, amounting to around 15% since the last fee increase in 2008. Government intend to introduce new fee regulations that would make this change come into force in the Autumn. This change is proposed in place of previous plans to allow the decentralisation of planning application fee setting to Local Planning Authorities.

The tables below shows further information relating to the above mentioned income budgets.

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	221,010	-25,490	56,210	81,700
Development Control	-435,000	381,390	-53,610	-123,610	-70,000
Land Charges	-125,000	89,600	-35,400	-16,400	19,000

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	-171,500	75,000
Development Control - Applications Fee	-385,000	-465,000	-80,000
Development Control - Pre Application Advice	-50,000	-40,000	10,000
Land Charges	-125,000	-106,000	19,000

Appendix D shows the breakdown of this directorate by Service Manager.

PROSPEROUS COMMUNITIES COMMITTEE REVENUE BUDGET FORECAST 2012/13

**APPENDIX A
INCOME**

Service	Annual Income Budget	Year End Forecast Position	Year End Variance Surplus (-) / Deficit
	£	£	£
Cemetery & Mortuary Services	-2,190	-2,190	0
Open Spaces - Parks	-1,850	-1,850	0
Chief Executive/Resources	-4,040	-4,040	0
Community Safety	-6,830	-6,830	0
Culture & Heritage - Arts	0	0	0
Culture & Heritage - ESF	0	0	0
Environmental Protection	-13,910	-13,910	0
Food Safety	-1,030	-1,030	0
Homelessness & Housing Advice	-41,390	-41,390	0
Licences - Community	-122,550	-120,550	2,000
Primary Care trust	-160,170	-160,170	0
Street Cleansing	-57,080	-50,080	7,000
Waste Management	-109,290	-91,500	17,790
Director of Communities & Localism	-512,250	-485,460	26,790
Building Control	-246,500	-171,500	75,000
Car Parks	-210,530	-210,530	0
Culture & Heritage - Arts	-27,200	-46,720	-19,520
Development Control	-435,000	-505,000	-70,000
Economic Development	-98,600	-98,600	0
Homelessness & Housing Advice	-230,860	-234,130	-3,270
Housing Strategy	-95,000	-95,000	0
Local Land Charges	-125,000	-106,000	19,000
Open Spaces - BTCV / Wolds	0	0	0
Planning Policy - F'ward Plann	-500	-20,000	-19,500
Planning Policy - Support Team	-2,000	-2,000	0
Private Sector Housing Renewal	-22,330	-22,330	0
Regeneration & Skills Develop.	-53,810	-60,810	-7,000
Town Centre Management	-185,560	-180,560	5,000
Town Centre M'ment - Markets	-79,420	-67,520	11,900
Director of Regeneration & Planning	-1,812,310	-1,820,700	-8,390
Prosperous Communities Total	-2,328,600	-2,310,200	18,400

PROSPEROUS COMMUNITIES COMMITTEE REVENUE BUDGET FORECAST 2012/13

**APPENDIX A
EXPENDITURE**

Service	Annual Expenditure Budget	Year End Forecast Position	Year End Variance Surplus (-) / Deficit
	£	£	£
Cemetery & Mortuary Services	22,160	30,660	8,500
Open Spaces - Parks	48,530	48,530	0
Press & Public Relations	8,000	6,000	-2,000
Chief Executive/Resources	78,690	85,190	6,500
Car Parks	6,150	6,150	0
Community Safety	350,640	350,640	0
Community Transport	46,900	46,900	0
Culture & Heritage - Arts	164,070	181,470	17,400
Culture & Heritage - ESF	11,550	13,550	2,000
Environmental Protection	241,500	241,500	0
Food Safety	119,480	111,060	-8,420
Genl Grants; Bequests & Dontns	277,054	277,054	0
Health & Safety at Work	48,410	48,410	0
Homelessness & Housing Advice	40,980	40,980	0
Licences - Community	86,210	86,210	0
Parish Lighting	38,990	38,990	0
Primary Care trust	160,430	160,430	0
Public Conveniences	66,130	66,130	0
Street Cleansing	559,900	559,900	0
Waste Management	2,170,040	2,195,040	25,000
Director of Communities & Localism	4,388,434	4,424,414	35,980
Building Control	221,010	227,710	6,700
Car Parks	373,500	373,500	0
Culture & Heritage - Arts	155,510	171,630	16,120
Development Control	381,390	381,390	0
Economic Development	349,330	349,330	0
Env. Initiatives - Sus. Dev.	34,160	34,160	0
Env. Initiatives-Conservation	16,710	16,710	0
Environmental Protection	7,740	7,740	0
Homelessness & Housing Advice	465,320	463,460	-1,860
Housing Strategy	309,440	311,960	2,520
Local Land Charges	89,600	89,600	0
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	78,020	96,020	18,000
Private Sector Housing Renewal	123,000	123,000	0
Recreation & Sport	546,070	545,790	-280
Regeneration & Skills Develop.	2,520	15,280	12,760
Tourism	23,540	23,540	0
Town Centre Management	42,760	42,760	0
Town Centre Manager	10,000	10,000	0
Town Centre M'ment - Markets	77,730	77,730	0
Village Halls - Comm. Develop	10,000	10,000	0
Welfare Services	36,360	36,360	0
Director of Regeneration & Planning	3,677,610	3,751,570	73,960
Prosperous Communities Total	8,144,734	8,261,174	116,440

PROSPEROUS COMMUNITIES COMMITTEE REVENUE BUDGET FORECAST 2012/13

APPENDIX B

Forecast Year End Position @ July 12	E Pepper	A Reeks
Directorate of Resources	OD & Communications	Business Improvements
	£	£
Income		
Government Grants		
Other Grants & Receipts		
Sales, Fees & Charges		1,850
Other Income		2,190
Interest		
Total Income	0	4,040
Expenditure		
Employees		
Premises Related		59,100
Transport Related		
Supplies & Services		20,090
Third Party Payments		
Transfer Payments	6,000	
Total Expenditure	6,000	79,190
Net Total	-6,000	-75,150
Approved Budget	-8,000	-66,650
Transfer to / (from) specific reserves	0	0
Variance to Budget Surplus/Deficit (-)	2,000	-8,500
Sub Total Budget Deficit Variance by Directorate		-6,500

PROSPEROUS COMMUNITIES COMMITTEE REVENUE BUDGET FORECAST 2012/13

APPENDIX C

Forecast Year End Position @ July 12	R North	C Allen	G Pilkington	J Riddell
Directorate of Communities & Localism	Director of Communities & Localism	Public Protection	Operational Services	Localism
	£	£	£	£
Income				
Government Grants	41,390			
Other Grants & Receipts		0	18,000	160,170
Sales, Fees & Charges		131,570	123,580	6,830
Other Income		3,920	0	0
Interest				
Total Income	41,390	135,490	141,580	167,000
Expenditure				
Employees	37,920	426,550	1,544,930	383,180
Premises Related		25,240	33,310	1,550
Transport Related	2,610	22,630	1,082,190	22,760
Supplies & Services	450	31,400	126,640	397,624
Third Party Payments		12,250	34,000	86,220
Transfer Payments		14,250		138,710
Total Expenditure	40,980	532,320	2,821,070	1,030,044
Net Total	410	-396,830	-2,679,490	-863,044
Approved Budget	410	-403,250	-2,642,410	-654,970
Transfer to / (from) specific reserves	0	0	12,700	-188,664
Variance to Budget Surplus/Deficit (-)	0	6,420	-49,780	-19,410
Sub Total Budget Deficit Variance by Directorate				-62,770

PROSPEROUS COMMUNITIES COMMITTEE REVENUE BUDGET FORECAST 2012/13

APPENDIX D

Forecast Year End Position @ July 12	S Fysh	G Lockett
Directorate of Regeneration & Planning	Development & Neighbourhoods	Strategic Growth
	£	£
Income		
Government Grants	20,000	234,030
Other Grants & Receipts		132,760
Sales, Fees & Charges	827,720	276,530
Other Income	49,310	280,350
Interest		
Total Income	897,030	923,670
Expenditure		
Employees	902,090	798,050
Premises Related	114,370	402,150
Transport Related	35,650	28,840
Supplies & Services	119,590	65,740
Third Party Payments	680,580	456,420
Transfer Payments	78,450	69,640
Total Expenditure	1,930,730	1,820,840
Net Total	-1,033,700	-897,170
Approved Budget	-914,350	-875,120
Transfer to / (from) specific reserves	-65,830	-10,000
Variance to Budget Surplus/Deficit (-)	-53,520	-12,050
Sub Total Budget Deficit Variance by Directorate		-65,570

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.
- Year End Predicted Position - Predicted year end position
- 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 reveals a deficit against current budget.