



PRCC.18 11/12

Prosperous Communities
Committee

2 November 2011

Subject: Monitoring of Revenue Budget Performance based on income and expenditure in the period – 1 April 2011 to 31 August 2011

Report by:

Director of Resources and Deputy Chief Executive

Contact Officer:

Russell Stone
Financial Services Manager
01427 676542
russell.stone@west-lindsey.gov.uk

Purpose / Summary:

This report outlines spend against budgets for the period 1st April to 31st August 2011. The report focuses on areas that are material to the Council's 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 31 August 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 of the Council's spend and estimated year end outturn position for budgets relevant to this Committee.
- 1.2 This format of this report has changed from previous reports in that
- Performance monitoring will be covered by another paper on this agenda,
 - The time period covered by this report has previously been split into quarters. The timescales to produce reports relating to financial information were always very tight in relation to the end of the reporting period and the time the report was distributed for committee. It is for this reason that the report is based on the five month period up to August 2011 rather than six months to 30th September. This gives sufficient time to produce meaningful information with appropriate comments from the respective service areas.
 - The report focuses on the estimated year end forecast for specific budgets within Directorates with explanations where any forecasts are expected to vary significantly from approved budgets. The figures for the position to date are provided primarily for information only, as variances commonly reflect budget profiling issues.
- 1.3 In respect of the budgets all support service recharges have been removed from the figures in this report to show only the direct service costs. Work is constantly undertaken to refine the budget profiles, in consultation with service managers, to take account of significant accruals and to make the relevant appendix easier to refer to.

2. Format

- 2.1 The summary of expenditure against revenue budget, together with the predicted year end outturn position is attached at Appendix A.
- 2.2 Headings within the tables are explained in Appendix B.

3. Committee Overview

- 3.1. The forecast year end outturn position for the committee is an over spend of £172k, primarily due to income pressures within Development Management, Land Charges and Building Control services. These pressures have been offset in part by underspends within other services outlined below.
- 3.2. As at the end of August, the current position shows a profiled under spend of £98k. Significant issues are detailed below.

- 3.3. The table below specifically identifies all 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 31 August 2011**

Committee	Service	Annual Budget	Estimated Annual Spend	Variance
Prosperous Communities	Waste Management	2,403,740	2,378,740	-25,000
Prosperous Communities	Building Control	-78,600	-38,600	40,000
Prosperous Communities	Homelessness & Housing Advice	288,250	238,250	-50,000
Prosperous Communities	Development Control	-138,690	44,110	182,800
Prosperous Communities	Local Land Charges	-69,500	-34,120	35,380
Prosperous Communities	Regeneration & Skills Develop.	165,660	137,660	-28,000
Prosperous Communities	Recreation & Sport	516,450	546,450	30,000
Prosperous Communities	Other Underspends	116,770	99,770	-17,000
Prosperous Communities	Other Overspends	180,260	184,260	4,000
Prosperous Communities Total		3,384,340	3,556,520	172,180

4 Directorate Variations

4.1 Director of Resources

4.1.1 The year end outturn position for service areas under this responsibility is predicted to be in line with the annual budget.

4.1.2 The variance of £47k budget under spend at 31 August 2011 within Public Transport relates to an accrual made at 2010/11 year end for potential costs associated with Concessionary fares, which are yet to be finalised.

4.2 Director of Neighbourhoods and Health

4.2.1 The year end forecast outturn position for this Directorate is a predicted overspend of £11k. Building Control income is anticipated to be underachieved by £40k based on current activity levels and the continuing subdued economic climate. This is offset in part by an estimated saving of £25k within Waste Management arising from a reduction in the usage of hired vehicles.

The tables overleaf show further information relating to the income pressure referred to above.

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	-38,600	40,000

Details of income received compared to budget at 31 August 2011

	Annual Income Budget	Income Budget to date	Income Received to Date	Variance to date
Building Control	-261,500	-108,394	-96,266	12,128

4.2.2 The variance as at 31 August 2011 for this Directorate is a budget under spend of £75k.

4.3 Director of Strategy and Regeneration

4.3.1 The year end outturn position is predicted to overspend by £161k. Fee income within Development Services is anticipated to be underachieved by £218k:

- 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
- 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.

The tables below show further information relating to the above income pressures.

Breakdown of income and expenditure budget for 2011-2012

	Annual Budget			Annual Forecast	
	Income	Expenditure	Net Expenditure	Net Expenditure	Variance
Development Control	-560,000	421,310	-138,690	44,110	182,800
Land Charges	-176,000	106,500	-69,500	-34,120	35,380

Details of income received compared to budget at 31 August 2011

	Annual Income Budget	Income Budget to date	Income Received to Date	Variance to date
Development Control - Applications Fee	-500,000	-208,450	-149,200	59,250
Development Control - Pre Application Advice	-60,000	-25,014	-7,372	17,642
Land Charges	-176,000	-73,373	-49,238	24,135

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 identified to be addressed within the 2012/13 Budget Planning Process.

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 (£50k) and within the Regeneration Services, where staffing savings are anticipated due to a vacant post (£28k).

4.3.2 The variance to date for this Directorate is showing an under spend of £98k.

APPENDIX A

Service	Area	Director	Budget Year to Date	Total Spend Year to Date	Variance Against Budget Year to Date	Annual Budget	Predicted Year End Spend	Predicted Year End Spend Variance to Annual Budget
			£	£	£	£	£	£
Revenues, Benefits & Customer Services	Public Transport	Adrain McCormick	0	-47,544	-47,544	0	0	0
Financial Services	Hsng Advncs & Support to RSLs	Adrain McCormick	1,050	1,068	18	700	700	0
	Director of Resources Total		1,050	-46,476	-47,526	700	700	0
Public Protection	Environmental Protection	James Nicholson	90,729	97,075	6,346	242,550	242,550	0
	Food Safety	James Nicholson	54,175	56,731	2,556	130,800	133,800	3,000
	Health & Safety at Work	James Nicholson	21,042	18,676	-2,366	50,770	48,770	-2,000
	Licences - Community	James Nicholson	-299	-4,031	-3,732	-16,200	-16,200	0
	Primary Care trust	James Nicholson	26,043	10,165	-15,878	0	-2,000	-2,000
	Recreation & Sport	James Nicholson	18,102	9,120	-8,982	49,460	50,460	1,000
	Parish Lighting	James Nicholson	7,348	-5,814	-13,162	56,000	52,000	-4,000
Operational Services	Public Conveniences	James Nicholson	39,490	11,215	-28,275	80,990	80,990	0
	Street Cleansing	James Nicholson	198,147	198,386	239	512,440	512,440	0
	Waste Management	James Nicholson	1,040,209	1,024,174	-16,035	2,403,740	2,378,740	-25,000
Technical & Contracts	Building Control	James Nicholson	-33,234	-18,926	14,308	-78,600	-38,600	40,000
	Cemetery & Mortuary Services	James Nicholson	10,302	10,206	-96	24,720	24,720	0
	Car Parks	James Nicholson	86,921	77,984	-8,937	159,020	159,020	0
	Open Spaces - Parks	James Nicholson	17,560	13,831	-3,729	58,150	58,150	0
	Environmental Protection	James Nicholson	3,225	5,067	1,842	7,740	7,740	0
Technical & Contracts / Regeneration	Town Centre Management	James Nicholson	-72,048	-70,980	1,068	-153,580	-153,580	0
	Director of Neighbourhoods & Health Total		1,507,712	1,432,877	-74,835	3,528,000	3,539,000	11,000

Table Continued on next page >>>>>>>>

APPENDIX A

Service	Area	Director	Budget Year to Date	Total Spend Year to Date	Variance Against Budget Year to Date	Annual Budget	Predicted Year End Spend	Predicted Y/E Spend Variance to Annual Budget
			£	£	£	£	£	£
Human Resources	Press & Public Relations	Rachel North	5,260	5,535	275	8,000	8,000	0
Housing, Renewal & Community Safety	Community Safety	Rachel North	130,296	106,544	-23,752	337,730	337,730	0
	Homelessness & Housing Advice	Rachel North	15,026	1,089	-13,937	288,250	238,250	-50,000
	Housing Strategy	Rachel North	118,571	119,102	531	228,980	228,980	0
	Private Sector Housing Renewal	Rachel North	25,158	20,288	-4,870	121,290	121,290	0
	Welfare Services	Rachel North	16,317	12,175	-4,142	38,160	38,160	0
Development Services	Genl Grants; Bequests & Dontns	Rachel North	69,000	67,000	-2,000	94,140	94,140	0
	Open Spaces - BTCV / Wolds	Rachel North	22,279	21,509	-770	64,620	64,620	0
	Development Control	Rachel North	-49,092	24,805	73,897	-138,690	44,110	182,800
	Env. Initiatives - Sus. Dev.	Rachel North	3,730	3,630	-100	3,730	3,730	0
	Env. Initiatives-Conservation	Rachel North	6,884	7,017	133	16,620	16,620	0
	Local Land Charges	Rachel North	-32,690	-14,067	18,623	-69,500	-34,120	35,380
	Other Planning	Rachel North	0	0	0	114,600	114,600	0
	Planning Policy - F'ward Plann	Rachel North	37,100	37,091	-9	88,650	88,650	0
Planning Policy - Support Team	Rachel North	69,619	66,371	-3,248	168,010	168,010	0	
Dev/ Regen / Housing, Renewal & Community Safety	Culture & Heritage - Arts	Rachel North	112,039	90,632	-21,407	232,800	232,800	0
Regeneration Services	Culture & Heritage - ESF	Rachel North	0	10,869	10,869	0	0	0
	Economic Development	Rachel North	111,954	138,345	26,391	269,330	269,330	0
	Community Transport	Rachel North	8,920	8,920	0	48,600	48,600	0
	Regeneration & Skills Develop.	Rachel North	60,192	28,625	-31,567	165,660	137,660	-28,000
	Recreation & Sport	Rachel North	170,511	172,049	1,538	516,450	546,450	30,000
	Town Centre Manager	Rachel North	27,375	30,379	3,004	32,470	32,470	0
	Town Centre M'ment - Markets	Rachel North	1,638	-98	-1,736	690	690	0
	Tourism	Rachel North	10,000	9,394	-606	10,000	10,000	0
Village Halls - Comm. Develop	Rachel North	4,169	1,136	-3,033	10,000	1,000	-9,000	
	Director of Strategy & Regeneration Total		944,256	968,341	24,085	2,650,590	2,811,770	161,180
	Prosperous Communities		2,453,018	2,354,742	-98,276	6,179,290	6,351,470	172,180

Finance Reporting

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.
- Budget Year to Date - The budgeted spend for the year to date.
- Commitments to date - This column shows any Commitments, (outstanding purchase orders) against the service for which payment is yet to be made.
- Actual Year to Date - Actual spend against the service to date.
- Total Committed Spend- Total of actual spend and commitments to date.
- Variance - This is the difference between total committed spend and the budget year to date. Shown in numeric form, a positive figure reveals an overspend against current budget.
- Predicted Y/E outturn - Estimated year end position
- Y/E Outturn Variance - 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.