



PRCC.06 11/12
Prosperous Communities Committee
8 June 2011

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Subject: Monitoring Corporate Plan and Revenue Budget Performance for the period – 1 April 2010 to 31 March 2011

Report by: Director of Resources and Deputy Chief Executive

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

Alex Reeks
Business Improvement and Partnerships Manager
01427 675175
Email: alex.reeks@west-lindsey.gov.uk

Purpose / Summary: To present the performance and budget monitoring position for the quarter ending 31 March 2011. The focus is on significant variances from performance targets and budgets and reflects the results of our budget management strategy of generating income and delivering efficiencies early.

RECOMMENDATION:
1) That Members note the contents of the report and the current Corporate Plan performance and budget position for 2010/11 at 31 March 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 : None arising as a result of this report.

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:
Corporate Plan 2010/14 www.west-lindsey.gov.uk/programmes

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 integrates performance monitoring of the actions and indicators approved in the 2009/12 Corporate Plan with Budget monitoring. The report explains significant variances against actions, performance indicators and budgets relevant to the Council. Following the change in Committee structure the budget performance has been presented at Service level for the purposes of 2010/11 outturn reporting. Budgets in respect of support service recharges have been excluded to allow monitoring of direct service costs.

2 Budget and performance variances

2.1 The outturn by service is set out in the table below. Overall before allowing for transfers to earmarked reserves and any movement in the impairment of debts the under spend relative to revenue budget is £1.212m. This reflects the results of our budget management strategy of generating income and delivering efficiencies early.

Revenue Budget Outturn position 2010/11

Service	Original Budget	Application (to)/ from Earmarked Reserves	Outturn Budget	Outturn	Variance
	£000	£000	£000	£000	£000
Operational Services	3,113	(175)	2,938	2,920	(18)
Revenues, Benefits and Customer Services	1,487	0	1,487	1,142	(345)
Regeneration Services	1,163	304	1,467	1,390	(76)
Public Protection	1,203	92	1,295	1,180	(116)
Housing Renewal and Community Services	1,069	46	1,115	997	(117)
Development Services	701	159	860	766	(94)
Core Management and Legal Services	760	0	760	711	(49)
Electoral Registration	154	0	154	143	(11)
Financial Services	3,107	48	3,155	2,816	(339)
Business Improvement	935	5	940	938	(2)
Technical and Contract Services	826	71	897	865	(31)
Human Resources	322	0	322	309	(13)
Press & Public Relations	117	0	117	116	(1)
Total	14,958	550	15,507	14,295	(1,212)

- 2.2 In total the corporate plan identifies 24 performance indicators for monitoring. There are 11 performance indicators reporting on or above target, 10 are below target and 3 have no data available. No actions are reported in this report as work is currently being undertaken to map projects within the Council. Once these projects have been mapped they will be reported against milestones. A summary of performance information is attached at Appendix A.

3 Revenue Budget Outturn

3.1 Operational Services – Budget under spend of £18K

The budget under spend in this service mainly reflects savings in staffing costs due to reduced levels of sickness.

3.2 Revenues, Benefits and Customer Services - Budget under spend of £345k

Concessionary fares under spent by £110k reflecting low take up rates for taxi tokens and no contributions to be made to damping. This service transferred to the County Council from 1 April 2011.

Housing Benefit Administration is under spent by £93k primarily due to an increased recovery of overpayments and an increase in grant income.

Reception Services is under spent by £25k due to reduced maintenance and support costs for the Customer Relationship Management system.

Housing Benefit Payments is under spent by £114k. This is mainly due to more grant income being received than paid out in rent allowances which is relative to budget.

3.3 Regeneration Services – Budget under spend of £76k

Regeneration under spent by £45k of which £28k relates to in year savings on Support to Business Enterprises and reduced payments to the Greater Lincoln Partnership. A further £14k saving was made due to Lincolnshire Enterprise ceasing to exist and a further £12k relating to travel, printing and salaries due to cross departmental working. An over spend of £8k can be seen in year on Section 106 Developments although it should be noted that this development is only expected to breakeven over a 3 year period.

Recreation and Sport under spent by £31k. The budget which contributes to fund a football co-ordinator post as part of the Football Foundation bid for Marshalls Sports Ground remains unspent due to the post not being recruited to and has been transferred to an

earmarked reserve (£7.5k), income of £11k has been received relating to interest on rate valuation reduction and the remaining balance is associated with grant funding for Free Swimming which was incorrectly carried forward into 2010/11 financial year.

3.4 **Public Protection - Budget under spend of £115k**

Environmental Protection –an under spend of £37k primarily due to officer vacancies within the year.

Licences –an under spend of £11k due to additional income from Taxis/Drivers/Operators applications processed and Licensing Act applications.

Culture & Community – an under spend of £11k arising from a vacancy at the start of the year (£5k) and other savings of £6k of which £2k has been transferred to a earmarked reserve to support the West Lindsey run series in 2011/12.

Democratic Representation – Members Support under spent by £56k. These savings are primarily due to savings associated with printing costs (£25k) and training costs (£16k). The balance represents reductions in expenditure on Supplies and Services budgets such as travel, IT consumables and Telephones.

3.5 **Housing Renewal and Community Services - Budget under spend of £117k**

Community Safety – an under spend of £25k mainly due to employee and transport costs with some posts being vacant during part of the year within both Community Wardens and CCTV service.

Housing – an under spend of £92k. Staff vacancies account for £23k and the majority of the remaining under spend is accounted for within the budgets for Homelessness & Housing Advice. Budgets set aside to assist with the Choice Based Lettings scheme, whose start has been delayed, under spent by £30k and a further £30k relates to a reactive budget which assists with homelessness prevention. It is planned to review the use of this budget during 2011/12.

3.6 **Development Services – Budget under spend of £94k**

Development Control - over spend of £37k primarily due to the under achievement of income from application fees.

Land Charges - over spend of £10k reflecting an under achievement of income from search fees (£57k) offset largely by New Burden grant income (which will be moved to an earmarked reserve) and reduced costs associated with Lincolnshire County Council search fees. The Council's ability to charge for certain services has been curtailed and services that rely on the housing market for income have been particularly hard hit this year.

Other Planning – the development of the Joint Planning Unit achieved savings of £96k relating to savings generated.

Other cost centres - Across the remaining areas of the service a £32k saving has occurred due to a vacant post in year and the remaining savings are attributed to savings across transport and supplies and services related costs.

Income - for information the table and comments below illustrate the income pressures in respect of Development and Planning activities during 2010/11.

Income	Annual Budget	Cum Income	Variance (over)/under achieved
Building Control	£ 340,000	£ 225,878	£ 114,122
Development Control	£ 500,000	£ 460,888	£ 39,112
Land Charges	£ 166,000	£ 108,565	£ 57,435

Building Control – Income received in quarter 4 was £42k against a profiled budget of £85k.

Development Control – Income received in quarter 4 was £101k against a profiled budget of £125k.

Land Charges - Income received in quarter 4 was £23k against a profiled budget of £41k.

3.7 **Core Management and Legal Services – Budget under spend of £49k**

The under spend in this area mainly reflects a saving of £46k on legal services. This financial year is the first year of the 'real charging' of costs for legal services. An adjustment to fees incurred for this service during the last financial year resulted in additional income in this year of £28k. Further savings have been generated due to the call on legal services at a general and corporate level reducing.

3.8 **Financial Services - Budget under spend of £339k**

In year a claim for the recovery of VAT in respect of leisure services was successful and £275k was recovered. Whilst the government's emergency budget withdrew grants for Housing Planning Delivery Grant (£100k) and LABGI (£20k) contingencies not required for pay, pensions and utilities more than offset the impact of these grant changes.

3.9 **Electoral Registration – Budget under spend of £11k**

The saving of £11k in year reflects the recovery of costs associated with Parliamentary Elections.

3.10 **Technical and Contract Services – Budget under spend of £31k**

Administrative Buildings - under spend of £52k. Additional income was received for renting out office accommodation offset in part by ongoing repairs and maintenance costs across the Council's properties. This under spend has been transferred to an earmarked reserve for depot resurfacing works to be carried out in 2011/12.

Property Services - under spend of £45k. Savings have been generated due to reduced costs for repairs and maintenance, new equipment and external consultancy / advice.

Support – Administration – under spend of £12k due to under spends for printing and postage.

Building Control - over spend of £36k as savings from staff vacancies of £72k have partially offset income levels being below budget reflecting both reduced activity and the implementation of the new fees and charges scheme from 1 October 2010.

Town Centre Management – over spend of £15k within commercial properties and town centre management where repairs and maintenance has increased and there are the continued costs of holding the Plough on Church Street and the land on the corner of Hickman and Bridge Street in addition to vandalism and burst pipes due to the recent severe weather conditions.

Car Parks - over spend of £32k relating to reduced income generation in year.

3.11 **Human Resources - Budget under spend of £13k**

An under spend of £23k relating to training expenditure was partially offset by additional costs of £9k relating to Occupational Health and ongoing support to reduce sickness absence.

3.12 **General Government Grants - additional income £101k**

Additional grant income was received in respect of Area Based Grant (£36k) and LPA Performance Reward Grant (£65k). No further payments are expected of either grant in future years.

4. Conclusion

The Council's Final accounts are currently being prepared for certification by the Chief Finance Officer. They will be reported to the meeting of Governance and Audit Committee on 27 June 2011 and then subject to external audit prior to approval by that Committee on 26 September 2011.