

**2012/13 April to September and year end forecast – Forecast Variances
over £25,000 (figures rounded to the nearest thousand)**

Year to date Variance: overspend /(saving)	Year end forecast Variance: overspend /(saving)	Service / Description	Explanation
PORTFOLIO: RESOURCES, GOVERNANCE AND PERFORMANCE			
(£81,000)	(£124,000)	Savings Programme	Progress against Shared Services – additional savings from base budget. Further detail is provided in Appendix C.
(£16,000)	(£28,000)	Policy and Performance	Underspend arising from vacant staff post. Action: Utilise underspend to offset against overspends within the overall budget.
£108,000	£108,000	Office Accommodation	As previously reported, overspends due to unanticipated backdated gas usage surcharge £15k plus £11k overspend on building repairs & maintenance. In addition to this the figures include £85k commitments in respect of priority 1 repairs identified. Action: Budget and portfolio holders to work together with Finance Support Officers to identify sufficient savings to close the overall budget gap.
(£47,000)	£74,000	Corporate Management	Savings on external audit fees following the announcement of the fee scales for 2012/13 by the

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			<p>Audit Commission. Also includes savings from the Joint Leadership Team changes, offset by an element of the cost of change funded from the base budget. Includes £65k Business Process Re-engineering (BPR) costs which have been funded from the Shared Services Cost of Change Reserve.</p> <p>Action: Budget and portfolio holders to work together with Finance Support Officers to identify sufficient savings to close the overall budget gap. Member to recommend funding of the BPR costs from the Shared Services Cost of Change Reserve.</p>
PORTFOLIO: PLANNING. HOUSING AND TRANSPORT			
£9,000	£40,000	Development Control	<p>For the period to 30th September 2012 the Council received several larger applications which kept the budget around £6k short of the budgeted levels, however based upon the current trends it is expected that income will be around 80% of the budget for the year by the year end. This includes provision for the agreed 15% increase in Planning fees from autumn 2012.</p>

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			<p>Action: Planning Applications to be monitored closely over the coming months and an updated position to be made available in the quarter 3 report.</p>
£38,000	£38,000	Building Control	<p>Building Regulation fee levels continue to fall short of the budget. As with Planning fees, based upon current trends we are anticipating the year end income to be around 80% of the budget. This is also in line with the 2011/12 outturn position.</p> <p>Action: Building Regulation Fees to be monitored closely along with service expenditure over the coming months and implications of the fee levels to be carefully assessed as part of the development of the Planning Shared Service.</p>
PORTFOLIO: ECONOMIC DEVELOPMENT AND TOURISM			
£103,000	£147,000	Business Units	<p>The Council currently has 10 vacant business units. As a consequence of this, income continues to fall short of the budget and in addition to this the Council has picked up the cost of Business Rates on the units. This</p>

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			<p>follows on from the income downturn during 2011/12 and assumes a full year of vacancies.</p> <p>Action: Industrial occupancy rates to be carefully monitored over the remainder of the year in conjunction with the relevant strategic plan actions.</p>
PORTFOLIO: HEALTH, LEISURE AND CULTURE			
£22,000	£36,000	Palace House	<p>The 2012/13 budgets do not currently include a provision for any costs in respect of Palace House. Forecast includes a full year of Business Rates and Custodian Salary whilst the Home of Horseracing project progresses.</p> <p>Action: Budget to continue to be monitored closely. Overspend to be offset against underspends in other areas.</p>
£78,000	£54,000	Horticulture and Arboriculture	<p>Variance primarily relates to timing differences between the budget assumptions and the setting of the new contract.</p> <p>Action: Budget and portfolio holders to work together with Finance Support Officers to identify</p>

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			sufficient savings to close the overall budget gap.
PORTFOLIO: ENVIRONMENT AND WASTE			
(£29,000)	(£29,000)	Local Licences	Licensing income £29k higher than budgeted. Action: Utilise additional income against overspends elsewhere. Licensing income profiles to be reviewed as part of the budget process.
PORTFOLIO: FAMILIES AND COMMUNITIES			
£15,000	£29,000	Community Centres	Forecast outturn includes a full year of Business Rates and expenses incurred whilst discussions regarding the future of the Community Centres progress. Action: Budget and portfolio holders to work together with Finance Support Officers to identify sufficient savings to close the overall budget gap.
(£174,000)	(£181,000)	Housing Benefits	Underspend primarily arising from increased overpayment recovery, resulting from an increased caseload and increase in fraud cases. Action: Utilise additional income against overspends elsewhere.

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(£30,000)	(£59,000)	Council Tax Benefits	<p>Underspend arising as a result of the Council achieving a 101% subsidy rate against benefits.</p> <p>Action: Utilise additional income against overspends elsewhere.</p>
MEDIUM TERM FINANCIAL STRATEGY			
(£67,000)	(£39,000)	Interest on Investments.	<p>The overall rate of return achieved by the Council on its investment for the period April to September 2012 was 2.904% which is above the 3 year – 7 day average rate by 2.568% but 0.246% below our budgeted average rate of return for 2012/13 of 3.15%. In spite of this the Council was able to earn £67k more interest than budgeted through being able to invest larger sums than originally anticipated. The forecast increase for the year, however, has fallen to £39k as a result of the Royal Bank of Scotland exercising their break option on a five year deal which was earning 4.15%. The Council has been able to reinvest the monies, however due to the prevailing economic climate it has not been able to achieve rates that are as high as the original deal.</p>

