



Cabinet 3 December 2008

Budget Monitoring Report: To 31 October 2008

1. Background

- 1.1 The Performance and Audit Scrutiny Committee has responsibility to scrutinise detailed budget monitoring reports based on budgets allocated to Heads of Service. Given that the next meeting of the Performance and Audit Committee will not be held until 26 January 2009, it was considered appropriate to submit this summary report to Cabinet directly.

2. Report

- 2.1 Appendix A, page 1, is the General Fund Budget Monitoring Summary report which shows an estimated underspend of £1,338,000. This figure is likely to be adjusted downwards before the year end due to the delayed pay award to staff and to other outstanding commitments. The Finance Section will work with individual services to refine the estimates in the coming months. Appendix A, pages 2 and 3, provides an explanation of budget variances over £10,000. In summary, the key variances are as follows:-

(a) *Favourable variances*

Underspends on budget: £859,000

The major contributor to this underspend is £290,000 which relates to the delayed pay award to staff. Other significant areas include underspending on staff positions (across all directorates) and some payment timing issues. The staff underspends need to be read in the context of staff overspends in 'Adverse Variances'. These are primarily areas where permanent staff vacancies have been filled with temporary personnel, therefore creating an overspend on one budget line and an underspend on another.

Income above budget: £881,000

As usual, the major factor is interest income, which is £509,000 above budget. A number of other factors make up the remaining increase, including Haverhill cinema and car parks income.

(b) *Unfavourable variances*

Overspends on budget: £332,000

Virtually all of the overspends are due to staff costs (across all directorates), which as mentioned above need to be viewed in the context of staff underspends above.

Income below budget: £109,000

Income is now being directly affected by the economic downturn in areas of discretionary spend, which is generally the public halls budgets and housing, where a reduction in land charges search fees has occurred. The latter is also related to government policy on restricting land charges search fees. Unfortunately these areas are likely to get worse as the year progresses.

- 2.2 Appendix B is the Capital Budget Monitoring Report which shows net capital expenditure of £7,779,000 for the period, compared to a full year capital budget of £23,517,000. This substantial underspend on the capital programme is due to a number of factors including delays in some major projects and some timing issues relating to the completion of stage payments. It should also be noted that capital expenditure budgets are not profiled and many of the schemes included in the programme are not due to commence until later in the financial year.
- 2.3 The capital disposals programme shows capital receipts for the period of £1,965,867 against a full year disposals estimate of £10,160,000. We now anticipate that a more realistic disposal target for the year is £3,600,000. We have used this latter figure to update the five year model accordingly.

3. Recommendation

- 3.1 The Cabinet is requested to **NOTE** the Budget Monitoring Report for the period ended 31 October 2008.

Ward(s) affected	All	Portfolio Holder	Resources and Efficiency
Background Papers		Subject Area	Finance

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St Edmundsbury Borough Council

2008/09 Budget Monitoring Report - Net Expenditure



St Edmundsbury
BOROUGH COUNCIL

Period to: 31st October

	Budget Full Year 2008/09	Budget to date	Actual to date	Variance to date Over/ (Under)
	£,000	£,000	£,000	£,000
Chief Executive & Corporate Management				
Chief Executive Officer	181	105	119	14
Corporate Directors	-	-	(27)	(27)
Elections	164	93	66	(27)
Communications	48	28	28	-
Strategy & Performance Unit	117	88	77	(11)
Mayoralty	117	68	81	13
Human Resources	26	14	7	(7)
Legal & Democratic Services	1,171	684	674	(10)
Chief Finance Officer	1,261	911	301	(610)
Total Chief Executives	3,085	1,991	1,326	(665)
Community Directorate				
Emergency Planning	55	46	44	(2)
Health & Housing	2,358	1,360	1,283	(77)
Leisure Services	5,210	3,244	3,125	(119)
Property Services	385	315	297	(18)
Corporate Property	(1,738)	(1,271)	(1,381)	(110)
Total Community	6,270	3,694	3,368	(326)
Environment Directorate				
Planning & Engineering	219	305	140	(165)
Waste Management	3,397	1,992	1,711	(281)
Policy & Procurement	-	-	4	4
Support Services incl Land Charges	476	270	337	67
Economic Development	274	226	254	28
Total Environment	4,366	2,793	2,446	(347)
SEBC Total	13,721	8,478	7,140	(1,338)

Supplementary Estimates included above
and funded from Balances

St Edmundsbury Borough Council

2008/9 Budget Monitoring Report - Net Expenditure



St Edmundsbury
BOROUGH COUNCIL

<u>Provisional Budget Outturn Report</u>		<u>31st October</u>	
		£,000	
Anticipated current underspend on budget to date		(1,338)	
<u>Major variances</u>		(Under spend)	Over spend
Pay award not yet in actuals, of this £53k will be a save as budgets assume 3% increase, actual will be 2.45%		(290)	
Chief Executive Directorate			
Chief Finance Officer	Finance staff overlap costs £19k, review of financial statements £4k, VAT advice £4k, computer running costs £9k overspend		36
Chief Finance Officer	Corporate management - bank charges £3k underspent, treasury management £5k underspend	(8)	
Chief Finance Officer	Concessionary fares - final quarter for 2007/2008 lower than anticipated	(40)	
Chief Finance Officer	Housing Benefits - Salaries underspend	(44)	
Chief Finance Officer	Investment interest above budget	(509)	
Chief Finance Officer Total		(565)	
Elections	Election Salaries underspend - Electoral Services Management role is currently vacant following internal staff changes in responsibility. Recruitment will be taking place shortly.	(22)	
Elections Total		(22)	
Human Resources	Human Resources - Salaries overspend £8k, advertising overspend £3k, and legal overspend £6k		17
Human Resources Total			17
Legal Division Property	Legal division property - Lease of E2 managed workspace		8
Legal Division Property Total			8
Community Directorate			
Health & Housing	Domestic & pollution section - Salaries underspend	(16)	
Health & Housing Total		(16)	
Leisure Services	Maintenance of children's play equipment	(24)	
Leisure Services	Parks management - recruitment costs £10k		22
Leisure Services	Bury St Edmunds Cemetery - grounds maintenance	(14)	
Leisure Services	Heritage Services - Vacant posts/maternity leave £41k, other hired services £19k underspend, exhibition expenditure overspend £8k	(52)	
Leisure Services	West Stow Country Park - rates £10k under, materials & supplies £4k under, other small differences £3k under, income above estimate £6k	(23)	
Leisure Services	Strategic leisure/monitoring officer post not filled and other miscellaneous underspends	(16)	
Leisure Services	Corn exchange - letting income down £16k, bar income down £19k		35
Leisure Services	Festival overspend		18
Leisure Services Total		(54)	
Property Services	Risbygate St Public Conveniences - other hired services budget not spent	(26)	
Property Services Total		(26)	
Corporate Property	Corporate Property - Haverhill Cinema Rental income above budget	(144)	
Corporate Property	Undeveloped Land - estate agents fees overspend £5k, consultants fees overspend £23k, other expenses £6k overspend, sales income above budget £9k		25
Corporate Property Total		(119)	
Environment Directorate			
Planning & Engineering	Car parks admin office - salaries underspend	(20)	
Planning & Engineering	Car Parks - Income above budget	(39)	
Planning & Engineering	Car Parks - rates underspend	(35)	
Planning & Engineering	Design & transportation - agency overspend		19
Planning & Engineering	Planning division - salaries underspend £36k - mainly due to vacant posts, computer running costs not yet incurred £10k under, miscellaneous overspends £6k	(40)	
Planning & Engineering Total		(115)	
Waste Management	Refuse & Cleansing operational costs underspend	(37)	
Waste Management	Tipping Charges timing of invoices	(127)	

St Edmundsbury Borough Council

2008/9 Budget Monitoring Report - Net Expenditure



St Edmundsbury
BOROUGH COUNCIL

<u>Provisional Budget Outturn Report</u>		<u>31st October</u>	
		£,000	
Anticipated current underspend on budget to date		(1,338)	
<u>Major variances</u>		(Under spend)	Over spend
Waste Management	Trade refuse fees above budget £149k possibility due to timing, other income £7k under budget	(142)	
Waste Management	Recycling credits below budget	(19)	
Waste Management	Landscapes - transport costs £18k overspend, income £9k under budget		27
Waste Management	Highways operational overspend		78
Waste Management Total		(220)	
Support Services incl Land Charges	Local land charges income below budget - housing market slow down will effect the level of search fees.		58
Support Services incl Land Charges	CCTV - Equip purchase £7k overspend, rental of equipment £9k overspend, other hired services £9k overspend, income £6k above budget		19
Support Services incl Land Charges Total			77
Economic Development	Town centre management - Salaries underspend £5k, events underspend £9k, other expenses underspend £3k	(17)	
Economic Development	Town centre development - Building surveyors £30k, £9k VAT adjustment and £4k miscellaneous overspends		43
Economic Development Total			26
Other small variances			(39)

St Edmundsbury Borough Council

2008/9 Capital Budget Monitoring Report



St Edmundsbury
BOROUGH COUNCIL

Period to 31st October

NET EXPENDITURE	Adjusted Budget 2008/09 £000	Actual Year to date £000
Community Directorate		
Head of Environment & Housing		
Improvement Grants	341	107
Healthy Living Centre Northgate Ward - net provision	(2)	-
Registered Social Landlords - Affordable Housing Schemes	292	288
Quaker Meeting House	-	-
Rural Areas	97	15
Head of Leisure		
Theatre and Public Entertainment	3,260	1,471
Museums	411	387
Community Parks & Open Spaces	40	(2)
Community Centres - net provision	-	(5)
Sport & Recreation - Leisure Centres and Nowton Park pitches	4,432	890
Sports Development & Community Recreation - mainly football, rugby and hockey facilities	31	40
Tourism and Shopmobility	14	-
Corporate Property Officer		
Commercial & Industrial Development	263	1
Property Fund	-	-
Head of Property Services		
Administrative Buildings and Depots	7,428	211
West Front Restoration	-	2
Public Conveniences	(32)	-
Major Planned Building Maintenance	56	73
Total Community	16,631	3,478
Environment Directorate		
Head of Planning & Engineering		
Cattle Market Development	1,939	1,025
Haverhill Cinema and Car Parks	3,727	3,259
Conservation of Historic Areas	76	33
Growth Area Initiatives	-	-
Street Lighting	-	13
Parking Services	-	-
Highways	196	(61)
Head of Economic Development		
Economic Development	851	32
Total Environment	6,789	4,301
Chief Executive's Directorate		
Chief Finance Officer		
Unallocated Capital Programme Provision	97	-
Total Chief Executive's	97	-
Total Net Expenditure on Capital Programme	23,517	7,779
Total Capital Receipts Received against Disposal Programme	(10,160)	(1,966)