



Performance and Audit Scrutiny Committee 31 July 2014

Budget Monitoring Report 1 April 2014 to 30 June 2014

1. Summary and reasons for recommendation

- 1.1 This report indicates the financial position for the first three months of the financial year 2014/2015.
- 1.2 The report includes a year end forecast outturn under spend of £135,000 and details of these can be seen in **Appendix A**.
- 1.3 The Council's capital financial position for the first three months of 2014/2015 shows expenditure of £381,000. Further details are provided in this report.

2. Recommendation

- 2.1 The Committee is asked to **note** the year end forecast financial position and forward any relevant issues or comments to Cabinet for their consideration.

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3. Corporate priorities

- 3.1 Monitoring financial performance plays an important role in understanding how the Council's financial plans and strategies have contributed towards the achievement of the Council's corporate priorities.
- 3.2 In order for the Council to be able to meet its corporate priorities it is essential that sufficient and appropriate financial resources are available.

4. Key issues

4.1 Background

- 4.1.1 The Council has robust budget monitoring systems in place to ensure that over spends are avoided and target income is achieved. The Council also manages and analyses under spends to identify potential savings for the current and future years' priorities. Budget monitoring is undertaken on a monthly basis with budget holders and reported to Joint Leadership Team quarterly.

4.2 Revenue Budget

- 4.2.1 The year to date position after three months currently shows an under spend of £148,000. The forecast position for the year end is showing an under spend of £135,000. Details are set out in **Appendix A**.
- 4.2.2 Members are requested to note the year end forecast position and the significant variances as outlined in the paragraphs below. Budget holders will continue to work with Resources Business Partners and Business Support Advisors for the remainder of the financial year in order to monitor the forecast position and an updated position will continue to be provided to this committee on a quarterly basis.
- 4.2.3 Initial reporting is showing that the overall business rate yield anticipated for 2014/15 is slightly higher than the forecasted yield as part of the NNDR1 return back in January 2014. We will continue to monitor the business rates closely with Anglia Revenues Partnership and a further update will be provided in the next quarter monitoring for September.

4.3 Commentary on Significant Revenue Variances

- 4.3.1 Significant year end forecast variances are explained in the table below.

Year end forecast variance: Over / (under) spend	Explanation
(£65,000)	Rebate received on previously paid gate fee expenditure for dry recyclables, not budgeted for. Will be paid up until October.
(£37,000)	Waste tipping charges for compostable waste less than anticipated.
(£118,000)	Discretionary Rate Relief budgeted, but not required.
(£103,000)	Additional income anticipated from the Business Rate Retention Scheme.

£76,000	A reduction in income from rents of industrial properties, due to some vacant properties and bad debts.
£24,000	Athenaeum over spend. This is primarily due to the income being achieved from the contract with Sodexo not being as high as budgeted.
£50,000	Level of building control fees received lower than anticipated.
£20,000	Market toll income lower than anticipated.

4.4 Capital Programme

4.4.1 The table below is a high level summary of capital expenditure against budget for 2014/15.

Service Area	Original 2014/15 Budget £000s	Spent to 30 th June 2014 £000s
Economic Development & Growth	185	0
Housing	2,923	111
Leisure, Culture & Communities	2,913	147
Resources & Performance	0	16
Planning & Regulatory Services	3,141	27
Policy, Communications & Customers	0	38
Waste, Street Scene, Property & Grounds Maintenance	3,122	42
TOTAL	12,284	381

4.5 Capital Disposals

4.5.1 The Council has not received any capital receipts in the first three months of the financial year.

5. Other options considered

5.1 None.

6. Community impact

6.1 None

7. Consultation *(what consultation has been undertaken, and what were the outcomes?)*

7.1 This report and the figures therein have been compiled by the Resources and Performance Team in consultation with the relevant budget holders and services.

8. Financial and resource implications *(including asset management implications)*

8.1 The purpose of this report is to provide members with an overview of the Council's revenue and capital financial position.

9. Risk/opportunity assessment *(potential hazards or opportunities affecting corporate, service or project objectives)*

Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	High/Medium/Low		High/Medium/Low
The Revenue Budget is overspent or income is underachieved.	High	<ul style="list-style-type: none"> • Budgets reflect the economic situation facing the Council, and have been scrutinised by officers and members at budget setting time • Clear responsibilities for budget monitoring and control ensure that there is strong accountability for each individual budget line • Improved budget monitoring reports to Performance and Audit Scrutiny Committee, Cabinet and JLT • Medium term financial planning to capture longer term budget implications. 	Low
Business rate retention yield below forecast	High	Work with ARP to understand the variance to deliver a realistic forecast.	Medium

10. Legal and policy implications

10.1 Local Government Finance Act 1992 – balanced budget requirement and adequacy of reserves

10.2 Local Government Act 1972 – requirement for the proper administration of financial affairs

11. Ward(s) affected

11.1 All

12. Background papers

Not applicable

13. Documents attached

13.1 Appendix A – Revenue budget summary, for the period April to June 2014.

Summary by Head of ServiceAppendix A

Head of Service	Budget to Date £	Actual to Date £	Over/(Under) Spend to Date £	Y/E Forecast Variance £
Corporate Expenditure	328,389	276,401	(51,988)	0
Resources & Performance	721,376	850,697	129,321	(233,000)
Human Resources & Organisational Development	111,947	132,877	20,930	15,000
Legal & Democratic Services	232,879	188,164	(44,715)	0
Policy, Communications & Customers	247,004	229,453	(17,551)	0
Waste Management & Property Services	786,334	481,601	(304,733)	34,000
Leisure, Culture & Communities	907,451	1,023,592	116,141	24,000
Planning & Regulatory Services	139,542	208,482	68,940	25,000
Economic Development & Growth	50,446	55,002	4,556	0
Housing	259,745	190,894	(68,851)	0
TOTALS:	3,785,113	3,637,163	(147,950)	(135,000)
Interest Receivable	(139,000)	(89,000)	50,000	0
TOTALS:	3,646,113	3,548,163	(97,950)	(135,000)

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Detail by Head of Service					Appendix A
CORPORATE EXPENDITURE					
Cost Centre Description	Budget to Date £	Actual to Date £	Variance to Date £	Y/E Forecast Variance £	Year End Variance Notes
Corporate Expenditure	260,739	241,139	-19,600	0	
Non-Distributed Costs	54,762	6,209	-48,553	0	Expected to be on budget at year end.
Non-Distributed Costs - Cost of Unused Assets	4,963	1,176	-3,787	0	
Corporate Expenditure:	320,464	248,524	-71,940	0	
Emergency Planning	7,925	27,877	19,952	0	
Emergency Planning:	7,925	27,877	19,952	0	
TOTALS: CORPORATE EXPENDITURE:	328,389	276,401	-51,988	0	
RESOURCES & PERFORMANCE					
Cost Centre Description	Budget to Date £	Actual to Date £	Variance to Date £	Y/E Forecast Variance £	Year End Variance Notes
Resources & Performance	112,718	124,955	12,237	0	
Grants to Organisations	124,583	250,330	125,747	0	Expected to be on budget at year end.
Housing Act Advances	-25	0	25	0	
General Fund Adjustments	144,538	121,271.00	-23,267	-103,000	£103k additional business rate income.
Resources & Performance:	381,814	496,556	114,742	-103,000	
Internal Audit	40,981	46,818	5,837	-6,000	Additional income from other bodies
Internal Audit:	40,981	46,818	5,837	-6,000	
ICT	228,071	422,966	194,895	0	Expected to be on budget at year end.
ICT:	228,071	422,966	194,895	0	
Anglia Revenues Partnership	359,235	132,381	-226,854	-6,000	New partner (Fenland Council) joining the partnership.
Council Tax Administration	-49,826	-160,581	-110,755	0	Expected to be on budget at year end.
Business Rate Administration	-14,788	-44,725	-29,937	-118,000	Discretionary NNDR Relief budgeted not required

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Housing Benefits	-224,110	-42,718	181,392	0	Based on 2013/14 HB overpayment recovery, there will be a shortfall of £100k which will be funded from the HB equalisation reserve.
Anglia Revenues Partnership:	70,511	-115,643	-186,154	-124,000	
TOTALS: RESOURCES & PERFORMANCE:	721,377	850,697	129,320	-233,000	
HUMAN RESOURCES & ORGANISATIONAL DEVELOPMENT					
Cost Centre Description	Budget to Date £	Actual to Date £	Variance to Date £	Y/E Forecast Variance £	Year End Variance Notes
Human Resources & Payroll	60,513	92,722	32,209	20,000	Additional licences for roll out of ICT Projects and maintenance agreements £20K
Human Resources:	60,513	92,722	32,209	20,000	
Health & Safety	17,960	12,512	-5,448	-5,000	Additional work and sale of Health and Safety online training to outside organisations
Health & Safety:	17,960	12,512	-5,448	-5,000	
Central Training Services	33,474	27,643	-5,831	0	
Learning & Development:	33,474	27,643	-5,831	0	
TOTALS: HUMAN RESOURCES & ORG.DEVELOPMENT:	111,947	132,877	20,930	15,000	
LEGAL & DEMOCRATIC SERVICES					
Cost Centre Description	Budget to Date £	Actual to Date £	Variance to Date £	Y/E Forecast Variance £	Year End Variance Notes
Legal Services	48,239	7,222	-41,017	0	Expected to be on budget at year end.
Legal Services:	48,239	7,222	-41,017	0	
Democratic Services	37,887	28,370	-9,517	0	
Members Expenses	89,138	90,526	1,388	0	
Mayoralty & Civic Functions	24,671	18,257	-6,414	0	
Democratic Services:	151,696	137,153	-14,543	0	
Electoral Registration	19,732	8,050	-11,682	0	
Election Expenses	13,212	35,738	22,526	0	
Elections:	32,944	43,788	10,844	0	
TOTALS: LEGAL & DEMOCRATIC SERVICES:	232,879	188,163	-44,716	0	
POLICY, COMMUNICATIONS & CUSTOMERS					
Cost Centre Description	Budget to Date £	Actual to Date £	Variance to Date £	Y/E Forecast Variance £	Year End Variance Notes

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Policy	23,758	42,308	18,550	0	
Policy:	23,758	42,308	18,550	0	
Communications	34,737	36,650	1,913	0	
Communications:	34,737	36,650	1,913	0	
Customer Services	119,213	94,484	-24,729	0	Expected to be on budget at year end.
Bus Stations	69,295	56,011	-13,284	0	
Customer Services:	188,508	150,495	-38,013	0	
TOTALS: POLICY, COMMUNICATIONS & CUSTOMERS:	247,003	229,453	-17,550	0	
WASTE MANAGEMENT & PROPERTY SERVICES					
Cost Centre Description	Budget to Date £	Actual to Date £	Variance to Date £	Y/E Forecast Variance £	Year End Variance Notes
Vehicle Workshop	101,139	99,846	-1,293	0	
Pool Cars	3,062	34,167	31,105	0	Expected to be on budget at year end.
Vehicle Workshop Trading Account - FHDC	-30,200	-17,389	12,811	0	
Fleet Management:	74,001	116,624	42,623	0	
Depots	164,719	151,024	-13,695	0	
Grounds Maintenance Operatives	263,971	254,351	-9,620	0	
Tree Maintenance Operatives	0	1,218	1,218	0	
Waste & Cleansing Operatives	846,037	852,102	6,065	0	
Markets	-9,898	4,509	14,407	20,000	Bury Market potential lower toll income
Operational:	1,264,829	1,263,204	-1,625	20,000	
Street Cleansing	6,380	4,264	-2,116	0	
Refuse Collection (Black Bin)	15,428	17,104	1,676	0	
Recycling Collection (Blue Bin)	-55,130	-52,741	2,389	-65,000	6 month rebate for previously paid gate fee expenditure for dry recyclables, not budgeted for.
Compostable Collection (Brown Bin)	-54,453	-94,665	-40,212	-37,000	Waste tipping charges expected to be lower than budgeted.
Bulky, Fridges, Metal & Scrap Collection	-5,877	-3,608	2,269	0	
Clinical & Hazardous Waste Collection	4,133	6,560	2,427	0	
Multi-Bank Recycling Sites	-3,130	-1,756	1,374	0	
Trade Waste	-129,182	-233,954	-104,772	0	Expected to be on budget at year end.
Waste - Business & Commercial	-221,831	-358,796	-136,965	-102,000	
Property Services	52,897	56,900	4,003	0	
Property Maintenance:	52,897	56,900	4,003	0	
Estates Management	31,749	31,937	188	0	
Industrial & Business Units	-290,484	-300,947	-10,463	76,000	Budget included rent income for some properties which are now vacant, and for some which are anticipated to be bad debts.
Town Centres & Shops	-202,232	-124,775	77,457	0	As above

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Property Management:	-460,967	-393,785	67,182	76,000	
Offices: West Suffolk House	290,645	275,816	-14,829	0	
Offices: Haverhill House	11,650	35,623	23,973	40,000	Under achievement of rental income
Courier & Postal Service	20,342	12,871	-7,471	0	
Printing & Copying Service	6,375	8,718	2,343	0	
Public Conveniences	38,900	31,097	-7,803	0	
District Highways Services	4,779	7,752	2,973	0	
Street Furniture	12,083	-5,269	-17,352	0	
Land Drainage & Associated Works	1,500	-1,661	-3,161	0	
Facilities & Highways Services:	386,274	365,719	-20,555	40,000	
CCTV & Support	31,292	32,374	1,082	0	
CCTV	84,850	81,393	-3,457	0	
Green Travel Plan	7,700	7,702	2	0	
Street Banners & Displays	-1,034	-1,863	-829	0	
CCTV & Support:	122,808	119,606	-3,202	0	
Off Street Car Parks	-401,803	-464,920	-63,117	0	Expected to be on budget at year end.
On Street Car Parking	-29,874	-222,951	-193,077	0	On-street car parking income is collected by SEBC on behalf of SCC. Variance at year end will be zero as passed across to SCC.
Car Parking:	-431,677	-687,871	-256,194	0	
TOTALS: WASTE MANAGEMENT & PROPERTY SERVICES:	786,334	481,601	-304,733	34,000	
LEISURE, CULTURE & COMMUNITIES					
Cost Centre Description	Budget to Date £	Actual to Date £	Variance to Date £	Y/E Forecast Variance £	Year End Variance Notes
Leisure Services Management & Support	-4,833	56,128	60,961	0	Expected to be on budget at year end.
Arboriculture (Tree Maintenance Works)	55,395	19,614	-35,781	0	Expected to be on budget at year end.
Other Parks and Play Provision	-16,460	-9,886	6,574	0	
Abbey Gardens	11,731	34,851	23,120	0	
Nowton Park	24,343	30,706	6,363	0	
East Town Park	22,732	19,204	-3,528	0	
Clare Country Park	-3,596	-6,643	-3,047	0	
Children's Play Areas	22,991	32,315	9,324	0	
Cemeteries & Closed Churchyards	5,977	-972	-6,949	0	
Allotments	-75	-338	-263	0	
Leisure & Cultural - Parks	118,205	174,979	56,774	0	
Arts, Heritage & Cultural Services	51,167	85,038	33,871	0	Expected to be on budget at year end.
Moyses Hall Museum	64,696	73,947	9,251	0	
West Stow Country Park	26,851	57,896	31,045	0	Expected to be on budget at year end.
West Stow ASVT Operating Account	0	-24,804	-24,804	0	
Heritage Outreach Services	3,875	5,835	1,960	0	
Heritage Sites & Monuments	1,375	1,375	0	0	
West Front Houses	13,113	13,192	79	0	
Tourist Information Centres	37,249	33,155	-4,094	0	
Shopmobility	6,128	4,051	-2,077	0	

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Leisure & Cultural - TIC & Heritage:	204,454	249,685	45,231	0	
The Athenaeum	24,757	35,454	10,697	24,000	Sodexo contract not achieving predicted income
The Guildhall, Bury St Edmunds	8,171	8,307	136	0	
Leisure & Cultural - Public Halls:	212,863	230,339	17,476	24,000	
Bury Festival	8,212	20,638	12,426	0	
Commercial - Entertainment & Events:	8,212	20,638	12,426	0	
Leisure Promotion	46,386	24,190	-22,196	0	
Sports & Leisure Centres	200,713	239,987	39,274	0	Expected to be on budget at year end.
Commercial - Marketing:	247,099	264,177	17,078	0	
Leisure - Commercial Activities	9,155	5,051	-4,104	0	
The Apex	179,935	186,578	6,643	0	
Commercial - Apex:	189,090	191,629	2,539	0	
Sports Development & Community Recreation	12,165	5,717	-6,448	0	
Community Development	83,215	54,377	-28,838	0	Expected to be on budget at year end.
Community Centres	12,083	18,627	6,544	0	
Families & Communities:	107,463	78,721	-28,742	0	
TOTALS: LEISURE, CULTURE & COMMUNITIES:	907,451	1,023,590	116,139	24,000	
PLANNING & REGULATORY SERVICES					
Cost Centre Description	Budget to Date £	Actual to Date £	Variance to Date £	Y/E Forecast Variance £	Year End Variance Notes
Development Control	-78,130	-36,759	41,371	0	Additional activity could generate more income. However, this is uncertain and could be negated by appeal costs.
Development Control:	-78,130	-36,759	41,371	0	
Planning Policy	186,857	194,863	8,006	0	
Local Plan	-15,925	-15,447	478	0	Projects Funded from reserves
Place Shaping:	170,932	179,416	8,484	0	
Land Charges	-38,678	-41,225	-2,547	-10,000	Increased activity and fee harmonisation with FHDC
Building Control	-33,969	2,662	36,631	50,000	Fees income shortfall of £68k, offset by £18k of salary savings.
Planning & Regulatory Support	75,124	69,643	-5,481	0	
Business (BC & Support):	2,477	31,080	28,603	40,000	
Prevention of Pollution	17,098	-190	-17,288	0	
Environmental Management	9,224	8,698	-526	0	
Drinking Water Quality	1,504	-2,453	-3,957	0	
Climate Change	22,430	31,722	9,292	0	
Home Energy Conservation	1,187	-1,590	-2,777	0	

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Environment:	51,443	36,187	-15,256	0	
Licensing	-24,552	-10,087	14,465	-10,000	Additional fee income
Hackney Carriage & Private Hire Licensing	-20,500	-17,122	3,378	-5,000	3 Year Licences will save on admin and generate additional income, as will the harmonisation of charges with SEBC.
Food Safety	17,361	11,598	-5,763	0	
Health & Safety at Work Act/Enforcement	20,511	14,169	-6,342	0	
Business Reg & Licensing:	-7,180	-1,442	5,738	-15,000	
TOTALS: PLANNING & REGULATORY SERVICES:	139,542	208,482	68,940	25,000	
ECONOMIC DEVELOPMENT & GROWTH					
Cost Centre Description	Budget to Date £	Actual to Date £	Variance to Date £	Y/E Forecast Variance £	Year End Variance Notes
Economic Development & Growth	35,285	59,730	24,445	0	Expected to be on Budget
Strategic Tourism & Markets	20,899	16,457	-4,442	0	
Bury Christmas Fayre	-5,737	-22,777	-17,040	0	
Vibrant Town Centres	0	1,592	1,592	0	
Economic Development & Growth:	50,447	55,002	4,555	0	
TOTALS: CORPORATE EXPENDITURE:	50,447	55,002	4,555	0	
HOUSING					
Cost Centre Description	Budget to Date £	Actual to Date £	Variance to Date £	Y/E Forecast Variance £	Year End Variance Notes
Housing Renewals	31,441	23,706	-7,735	0	0
Burial of the Dead	3,906	5,084	1,178	0	0
Gypsies & Travellers	7,375	6,419	-956	0	0
Other Public Health Services	51,272	37,920	-13,352	0	0
Public Health & Housing:	93,994	73,129	-20,865	0	
Housing Development & Strategy	40,572	20,840	-19,732	0	0
Housing Development & Strategy:	40,572	20,840	-19,732	0	
Homelessness	64,575	46,185	-18,390	0	0
Housing Advice & Choice Based Lettings	39,716	38,891	-825	0	0
Housing Options:	104,291	85,076	-19,215	0	
Housing Business & Partnerships	20,889	11,848	-9,041	0	0
Housing Business & Partnerships:	20,889	11,848	-9,041	0	
TOTALS: HOUSING:	259,746	190,893	-68,853	0	