



East
Northamptonshire
Council

Finance Sub-Committee - 12 September 2012

Revenue Budget Monitoring - Quarter 1 2012/13

Purpose of report: To detail revenue spend against the approved budget for the period ended 30 June 2012.

Attachment(s)

Appendix 1 - Service expenditure detailed analysis

Appendix 2 - Analysis by Head of Service

1.0 Introduction

- 1.1 This report provides an overview of the Council's expenditure against the approved revenue budget 2012/13 to the end of quarter 1, 30 June 2012. It highlights any significant under or overspending and identifies its impact on the year end position. The latest position on Capital spending is reported separately on the agenda.
- 1.2 This report informs Members of high-level variations over £10k, which have the potential to have a significant impact on the overall financial position of the Council. Detailed information on less significant variations can be obtained from the budget holders.

2.0 Overview

- 2.1 The Council approved a total council tax requirement of £10,909,109 for 2012/13 but this figure included parish precepts and a number of technical accounting entries and adjustments. For monitoring purposes, the Finance Sub Committee is only concerned with true income and expenditure of the Council. The original revenue budget for the net cost of services, before such adjustments and items, was £9,974,140.
- 2.2 Since the budget setting in February 2012, the total budget has been revised to £10,174,830. The increase in budget relates to the supplementary estimates totalling £200,690 approved during the year, as shown in **Table 1** below:

	£
Original Budget	9,974,140
Carry forwards from 2011/12 (P&R 2/7/12)	134,180
Higham Ferrers Masterplan (P&R 13/2/12)	16,510
Thrapston Masterplan (P&R 13/2/12)	50,000
Revised budget as per Outturn report	<u>10,174,830</u>

- 2.3 The estimated outturn for the year is an underspend of £147k.
- 2.4 A review is currently being undertaken to assess how much of this underspend is one off items and how much will feed through into the draft budget for 2013/14 and the Medium-Term Financial Strategy.

2.5 **Table 2** below shows the actual expenditure to date against budget, and the estimated out-turn for year with the variance against budget identified.

	Budget 2012/13 £	Actual to date £	Estimated Outturn £	Variance Budget – Outturn £
Central Services to the Public	401,970	136,923	401,974	4
Cultural, Environmental and Planning Services	3,951,030	773,750	3,963,420	12,390
Departmental Central Support Services	4,357,510	1,368,960	4,287,162	(70,348)
Housing Services	187,780	(9,773)	175,060	(12,720)
Highways Roads & Transport Services	66,430	43,709	67,910	1,480
Corporate and Democratic Core	429,090	63,661	400,890	(28,200)
Non-Distributable Costs	781,020	163,587	731,020	(50,000)
Total	10,174,830	2,540,817	10,027,436	(147,394)

2.6 **Table 3** below provides a summary of the main savings and overspends of over £10k. A detailed breakdown with explanatory notes is shown at appendix 1.

Service area	Under budget £'000	Over budget £'000	Reason for variance
Environmental Health	29		Staffing savings
Environmental Initiatives	10		Saving on environmental improvement grants
Resources & Organisational Development	25		Staffing savings
ICT	38		Staffing and licence cost savings
Homelessness	15		Additional grant monies received
Corporate Management	30		Reduction in fees for External Audit
Contingency	50		Contingency budget not required
Development Control		50	Income levels lower than budgeted due to lower than anticipated development activity and fewer new large projects.

2.7 Officers will continue to identify savings through monthly monitoring of budgets identified as high financial risks, quarterly budget monitoring on all budgets and as a result of the challenge through quarterly performance clinics. Savings identified will be included in the estimated outturn at the end of each quarter.

3.0 Reserves

3.1 When the Council set its budget in February 2012 it included £545k of funding from reserves. The forecast position for the year as a result of the changes set out above is shown in **Table 4** below:

	£000
Budgeted drawdown from reserves	545
Forecast underspend for the year (2.5 above)	<u>-147</u>
Forecast drawdown from reserves for 2012/13	<u>398</u>

3.2 The forecast underspend in 2012/13 and the lower than planned drawdown from reserves during the year is further evidence the Council is managing within its resources.

3.3 The impact on revenue reserves is set out in **Table 5** below:

	£'000	£'000
Revenue reserves at 1 April 2012		5,933
Less:		
Carry forward requests	-134	
Community projects	-100	
Committed grants unapplied	<u>-362</u>	<u>-596</u>
Revenue reserves at 1 April 2012		5,341
Forecast deficit for 2012/13		<u>-398</u>
Forecast revenue reserves (incl. earmarked reserves) at 31 March 2013		<u>4,943</u>
<i>(including minimum reserves of)</i>		<i>(2,000)</i>

4.0 Use of New Homes Bonus for Community Projects

4.1 When Council approved the budget for 2012/13 in February 2012 it set aside £181k from the New Homes Bonus monies to fund Community Projects. The monies would be targeted at those areas of the district where development had taken place and used to promote economic growth across the district.

4.2 Table 6 below sets out the current position in relation to the drawdown of monies from the Community Projects Fund:

	£
Original Budget (agreed by Council 29/2/12)	181,211
Allocation from underspend in 2011/12 (P&R 2/7/12)	<u>100,000</u>
Revised Community Projects Fund 2012/13	281,211
<u>Draw downs:</u>	
Thrapston Masterplan (P&R 13/2/12)	50,000
Higham Ferrers Masterplan (P&R 13/2/12)	16,510
Councillor Empowerment Fund	<u>20,000</u>
Current balance for Community Projects Fund 2012/13	<u>194,701</u>

4.3 A report on the approach to and governance for releasing funds from the Community Projects Fund was discussed at the Policy & Resources Committee on 10 September.

5.0 Recommendation

5.1 It is recommended that the current revenue budget position be noted.

(Reason – this is an information / monitoring report – no decision required)

Legal	Power: [redacted]
	Other considerations: [redacted]
Background Papers: None	
Person Originating Report: Glenn Hammons, Chief Finance Officer, 01832 742267 ghammons@east-northamptonshire.gov.uk	
Date: 30 August 2012	
CFO	MO
	CX

(Committee Report Normal Rev. 22)

Service Expenditure Summary End June 2012 Appendix 1

	Budget 2012/13	Budget to date	Actual to date	Estimated Outturn	Latest Variance	Note
Central Services to the Public						
Elections	£42,680	£5,421	£4,966	£42,680	£0	
Emergency Planning	£13,940	£3,489	£648	£13,944	£4	
General Grants Bequests & Local Land Charges	£98,140	£32,139	£18,676	£98,140	£0	
Local Land Charges	(£18,640)	£427	(£8,516)	(£18,640)	£0	
Local Tax Collection	£265,850	£52,814	£121,149	£265,850	£0	
	£401,970	£94,290	£136,923	£401,974	£4	
Cultural, Environmental and Planning Services						
Culture & Heritage	£3,000	£0	£0	£3,000	£0	
Recreation and Sport	£662,300	£155,096	£290,800	£662,300	£0	
Tourism	£50,510	£12,639	£14,111	£48,550	(£1,960)	
Open Spaces	(£15,440)	£6,786	(£1,120)	(£15,440)	£0	
Safety Services	£10,590	£1,715	£0	£10,590	£0	
Environmental Health	£385,030	£75,498	£99,046	£356,021	(£29,009)	1 £21k net saving from redundant post (Commercial Health), £3k transitional vacancy savings and £5k saving on repair and maintenance budget for public conveniences.
Flood Defence & Land Drain	£7,460	£295	£431	£7,460	£0	
Street Cleansing	£989,240	£250,755	£135,181	£989,240	£0	
Waste Collection	£1,016,890	£132,708	£241,258	£1,016,890	£0	
Crime Reduction	£86,220	£83,628	(£9,962)	£86,480	£260	
Building Control	(£25,430)	(£7,129)	£2,021	(£25,430)	£0	
Development Control	£39,540	£9,891	(£84,127)	£89,540	£50,000	2 £50k drop on budgeted income levels, development activity lower than anticipated with fewer large scale projects.
Planning Policy	£500,800	£96,525	£98,645	£498,730	(£2,070)	
Environmental Initiatives	£56,450	£8,904	£7,350	£46,450	(£10,000)	3 £10k saving on Environmental Improvement grants due to Groundwork's no longer receiving Project funding from ENC. This will be reviewed whether this is an ongoing saving subject to P & R Committee decision.
Economic Development	£45,030	(£18,538)	(£46,924)	£51,759	£6,729	4 £3.5k loss of income due to vacant units at Raunds & Kingscliffe Industrial developments £3.5k repairs & maintenance costs to bring vacant units up to re-let standard
Community Development	£138,840	£40,811	£27,041	£137,280	(£1,560)	
	£3,951,030	£849,584	£773,750	£3,963,420	£12,390	
Departmental Central Support Services						
Resources and Organisation	£1,441,780	£346,092	£219,073	£1,416,482	(£25,298)	5 Pressures: £6.5k NI Class 1 not budgeted, £9.5k NHS burials - difficult to predict but based on over budget to date and winter still to come, £2k CRB checks to bring up to date Offset by: (£32k) transitional vacancy savings (of which £14.6k is Finance Manager post and £14k carry forward from 11/12), (£3.5k) Parental leave deductions, (£8.6k) Reduced hours.
Customer and Community SMT	£805,180	£183,473	£177,952	£805,180	£0	
Environmental Services	£230,550	£55,865	£47,444	£230,290	(£260)	
ICT	£853,000	£442,605	£603,188	£814,920	(£38,080)	6 (£13.5k) salary savings due to maternity/reduced hours, (£19.8k) Licence & maintenance costs £7k due to renewals on 3 year deals and £12.8k adjustments to licence charges confirmed after budget was set) (£3.8k) reduction in telephone rental cost following contract renewal Offset by: £4k cost of replacing headsets, £1.8k under accrued for private circuit lines in 11/12
Offices	£490,780	£231,891	£204,810	£483,960	(£6,820)	7 (£5k) building cleaning costs following renewal of contract, (£1.5k) general equipment maintenance charges at Thrapston Offices
Planning Services	£202,350	£49,585	£35,506	£202,350	£0	
	£4,357,510	£1,392,784	£1,368,960	£4,287,162	(£70,348)	
Housing Services						
Housing Strategy	£82,400	£20,615	£15,632	£84,680	£2,280	
Housing Advice	£13,880	£3,471	£3,488	£13,880	£0	
Private Sector Housing Ren	£112,950	£13,298	£72,172	£112,950	£0	
Homelessness	£254,640	£49,361	(£23,210)	£239,640	(£15,000)	8 £30k 'Repossession Grant' received part offset by new homelessness contract fee increase £15k for year.
Housing Benefits Payments	(£276,090)	£118,229	(£77,855)	(£276,090)	£0	
	£187,780	£204,974	(£9,773)	£175,060	(£12,720)	
Highways Roads & Transport Services						
Environmental Safety Routir	£9,530	£2,385	£1,710	£9,530	£0	
Parking Services	£56,900	£41,416	£42,000	£58,380	£1,480	
Public Transport	£0	£0	£0	£0	£0	
	£66,430	£43,801	£43,709	£67,910	£1,480	
Corporate and Democratic Core						
Democratic Representation	£324,090	£111,746	£81,102	£325,890	£1,800	
Corporate Management	£105,000	£0	(£17,441)	£75,000	(£30,000)	9 Reduction in charges as per Audit Commission Work Programme and Scales of Fees 2012/13
	£429,090	£111,746	£63,661	£400,890	(£28,200)	
Non-Distributable Costs						
Capitalisation of IT Licences	£0	£0	£0	£0	£0	
Transitional Vacancy Savings	£0	£0	£0	£0	£0	
Retirement Gratuities	£700	£0	£0	£700	£0	
Premature Retirements	£730,320	£173,339	£163,587	£730,320	£0	
Contingency	£50,000	(£22,624)	£0	£0	(£50,000)	
Efficiency Savings	£0	(£25,020)	£0	£0	£0	
	£781,020	£125,695	£163,587	£731,020	(£50,000)	
Total	£10,174,830	£2,822,874	£2,540,817	£10,027,436	(£147,394)	

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Original Budget	£9,974,140
Carry Forward	£134,180
Higham Ferrers masterplan (P&R 1	£16,510
Thrapston masterplan (P&R 13/2/1	£50,000
	£10,174,830

Service Expenditure Summary End June 2012

Appendix 2

	Budget 2012/13	Budget to date	Actual to date	Estimated Outturn	Latest Variance
Executive Director S.M.	£171,040	£42,798	£35,095	£171,040	£0
Head of Customer & Community	£1,902,410	£702,560	£558,806	£1,888,150	(£14,260)
Head of Environmental Services	£2,734,000	£521,749	£554,478	£2,710,475	(£23,525)
Head of ICT	£853,000	£442,605	£603,188	£814,920	(£38,080)
Head of Resources & Org Dev	£3,182,150	£851,085	£714,402	£3,073,611	(£108,539)
Head of Planning Services	£1,135,240	£209,104	£20,300	£1,170,450	£35,210
Secretary to Chief Executive	£196,990	£52,973	£54,547	£198,790	£1,800
	£10,174,830	£2,822,874	£2,540,817	£10,027,436	(£147,394)

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Original Budget	£9,974,140
Carry Forward	£134,180
Higham Ferrers masterplan (P&R 13/2/12)	£16,510
Thrapston masterplan (P&R 13/2/12)	£50,000
	£10,174,830