



East Northamptonshire Council

Finance Sub Committee - 14 December 2009

Revenue Budget Monitoring Report

Summary

This is a financial monitoring report as required by the Local Government Act 2003. It details revenue spend against budget for the period ending 30 October 2009 and the likely outturn figure for the whole financial year.

Attachment(s)

Appendix 1 - Service Expenditure Detailed Analysis

Appendix 2 - Summary of Variations

Appendix 3 - Salary Budgets

1. Introduction

1.1. Part 2 of the Local Government Act 2003 made Member involvement in budget monitoring a statutory duty. This report details the financial position of the Authority against the approved Revenue Budget. The report covers the period from 1 April to 31 October 2009 and the likely financial outturn for the financial year.

1.2. Attached to this report are three appendices:

Appendix 1 - detailed spend against budget for all areas of the Council.

Appendix 2 - summary of the reasons for the main variances.

Appendix 3 - details of salary spend against budget and the likely outturn for the whole financial year.

This report only deals with revenue matters, the monitoring of capital spend is covered by the next report on the agenda.

1.3. These reports give an estimated budget position for the whole financial year. This is not only in line with best practice but shows the likely full year impact of any under or over spending.

1.4. For the purpose of this report it is only intended to highlight and provide explanations for high level variations of a material nature which potentially would have an impact on the overall financial position of the Council. Detailed information on individual variations can be obtained from budget holders or the Head of Resources.

2. Commentary

2.1. The table below shows the overall financial position for the authority.

	Current Budget 2009/10	Budget to date	Actual to date	Estimated Outturn	Variance Budget-Outturn
	£	£	£	£	£
Central Services	517,290	392,407	378,568	531,200	13,910
Cultural Environmental & Planning Services	5,234,740	3,243,096	3,040,307	5,110,583	(124,157)
Departmental & Support Services	5,674,850	3,195,544	2,998,311	5,563,300	(111,550)
Housing Services	296,040	119,030	60,776	256,870	(39,170)
Highways Roads & Transport Services	516,860	428,531	358,085	517,510	650
Corporate & Democratic Core	499,320	298,242	242,265	502,010	2,690
Non-Distributable Costs	(461,470)	0	23,067	(332,896)	128,574
Total Services	12,277,630	7,676,850	7,101,378	12,148,577	(129,053)
Investment Income	(494,000)	(288,170)	0	(500,000)	(6,000)
Total Budget	11,783,630	7,388,680	7,101,378	11,648,577	(135,053)

The variance shown on the Non-Distributed costs line reflects the salary savings that have been achieved to date and are reported in the service expenditure lines above.

2.2. As at 31 October 2009, the total anticipated variance for the year is £135,053 when compared to the current budget. The main reasons for this variance are:

Under budget £'000	Over budget £'000	Reason
	25	Reduced land charges income
	63	Salary savings below target – see 2.4. below
	44	Reduced trade waste income
	29	Increase in housing benefits administration costs
157		Efficiency savings as detailed in 2.6. below
74		Extra housing benefits administration subsidy
65		Minor other savings
296	161	Total
135		Total under spend on services

2.3. Appendix 2 provides a summary of the reasons for the variances against the budget heads reported in Appendix 1.

2.4. It is anticipated that there will be an overall under spend on salary budgets of £387,379, as detailed in Appendix 3. This is £62,621 less than budgeted for. Savings totalling £289,330 have already been achieved and removed from service budgets. It is anticipated that there will be a further savings of £98,050 to materialise for the remainder of the year.

2.5. Investment income for the year is anticipated to be £500,000; some £6,000 above budget. Details of investment performance so far this year was reported to the last meeting of the Sub Committee.

2.6. As part of the Medium Term Financial Strategy, targets for cashable efficiency gains have been set. The table below shows the cashable efficiencies that have been achieved so far

this year and includes items considered by the Budget Review Group but excludes those that have no impact on this year's budget.

Efficiency Area	Saving 2009/10
Increased insurance excess	18,440
Additional postal cost savings	10,000
Revenues and Benefits Business continuity	17,400
Historic Buildings Grants	17,000
Staff advertising	20,000
JPU Planning Contribution	30,000
North Northants Development Company contribution	5,000
Licences for mapping services	4,000
Life assurance	16,410
Software support	10,500
Maintenance of phones	8,000
Total	156,750

Total savings of £300,000 have been budgeted for during 2009/10 but are still half way from the target set. Any shortfall, unless offset by additional budget under spends, will ultimately mean that the budget gap being funded through reserves will increase.

2.7. The following items have been approved from the Contingency Reserve in accordance with the agreed use of this reserve:

- £20,000 – Nene and Ouse transport grant.
- £2,500 – Benefit fraud interview equipment
- £3,000 – One off contribution to hate crime coordination

2.8 The total budget for the year has also been increased through the approval of supplementary estimates totalling £331,000. These amounts have been included in the budget figures outlined in this report The supplementary estimates are:

Area	Reason	Amount £
Recreation and Sport	Increased management fee for CCP	300,000
Public Transport	Increased concessionary fares cost	31,000
Total		331,000

3. Summary

3.1. As detailed in the report and outlined in the appendices, an under spend of £135,053 is predicted against existing budgets. After taking into account the supplementary estimates approved, it is anticipated that the amount of transfer from general fund reserves will have increased from £1,421,200 to £1,617,147.

4. Recommendation

4.1. That the report be noted.

Implications:		
Corporate Outcomes or Other Policy/Priority/Strategy		
Good Quality of Life	<input type="checkbox"/> Good Reputation	<input checked="" type="checkbox"/>
Good Value for Money	<input checked="" type="checkbox"/> High Quality Service Delivery	<input type="checkbox"/>
Effective Partnership Working	<input type="checkbox"/> Strong Community Leadership	<input type="checkbox"/>
Effective Management	<input checked="" type="checkbox"/> Knowledge of our Customers and Communities	<input type="checkbox"/>

Employees and Members with the Right Knowledge, Skills and Behaviours		<input checked="" type="checkbox"/>
Other:		<input type="checkbox"/>
Decision(s) would be outside the budget or policy framework and require full Council approval		<input type="checkbox"/>
Financial	There are no financial implications at this stage	<input type="checkbox"/>
	There will be financial implications – see paragraph Whole report	<input checked="" type="checkbox"/>
	There is provision within existing budget	<input type="checkbox"/>
	Decisions may give rise to additional expenditure at a later date	<input type="checkbox"/>
	Decisions may have potential for income generation	<input type="checkbox"/>
Risk Management	An assessment has been carried out and there are no material risks	<input type="checkbox"/>
	Material risks exist and these are recorded at Risk Register Reference - 257 inherent risk score - Primary residual risk score - Contingency	<input checked="" type="checkbox"/>
Staff	There are no additional staffing implications	<input checked="" type="checkbox"/>
	Additional staff will be required – see paragraph	<input type="checkbox"/>
Equalities and Human Rights	There will be no impact on equality (race, age, gender, disability, religion/belief, sexual orientation) or human rights implications	<input checked="" type="checkbox"/>
	There will be an impact on equality (see categories above) or human rights implications – see paragraph	<input type="checkbox"/>
Legal	Power: Local Government Act 2003	
	Other considerations:	
Background Papers: Various financial records		
Person Originating Report: Robert Austin, Head of Resources		
Date: 30 November 2009		
CFO		MO
		CX

(Committee Report Normal Rev. 19)

Service Expenditure Summary End October 2009

Appendix 1

	Budget 2009/10	Budget to date	Actual to date	Estimated Outturn	Variance	Note
Central Services to the Public						
Elections	£38,700	£16,829	£10,558	£38,700	£0	
Emergency Planning	£27,030	£26,022	£26,269	£27,280	£250	
General Grants Bequests & Donations	£150,000	£97,680	£70,017	£147,000	(£3,000)	
Local Land Charges	(£51,070)	(£27,175)	(£16,777)	(£33,070)	£18,000	
Local Tax Collection	£352,630	£279,051	£288,502	£351,290	(£1,340)	
	£517,290	£392,407	£378,568	£531,200	£13,910	
Cultural, Environmental and Planning Services						
Culture & Heritage	£17,400	£3,349	£7,586	£17,800	£400	
Recreation and Sport	£1,000,600	£564,589	£702,482	£1,001,353	£753	
Tourism	£141,090	£98,694	£83,276	£140,149	(£941)	
Open Spaces	£28,990	£20,509	£29,454	£29,040	£50	
Safety Services	£50,000	£22,615	£38,113	£50,000	£0	
Environmental Health	£629,590	£459,188	£381,745	£597,500	(£32,090)	
Flood Defence & Land Drainage	£11,740	£4,759	£3,746	£11,700	(£40)	
Street Cleansing	£1,033,740	£602,273	£523,080	£1,011,280	(£22,460)	
Waste Collection	£1,375,620	£748,799	£705,516	£1,376,662	£1,042	
Crime Reduction	£149,620	£73,295	£69,139	£153,504	£3,884	
Building Control	(£35,150)	(£21,358)	(£21,123)	(£35,150)	£0	
Development Control	£144,110	£81,146	£105,759	£144,130	£20	
Planning Policy	£346,910	£358,360	£240,416	£286,490	(£60,420)	
Environmental Initiatives	£49,700	£48,786	£49,226	£49,700	£0	
Economic Development	£145,730	£98,915	£48,500	£146,700	£970	
Community Development	£145,050	£79,177	£73,393	£129,725	(£15,325)	
	£5,234,740	£3,243,096	£3,040,307	£5,110,583	(£124,157)	
Departmental Central Support Services						
Resources	£1,132,660	£653,273	£457,483	£1,106,780	(£25,880)	
Customer Services	£411,770	£233,190	£230,319	£399,482	(£12,288)	
Organisational Development	£430,250	£210,064	£163,762	£403,145	(£27,105)	
SMT	£469,360	£274,091	£274,910	£462,670	(£6,690)	
Environmental Services	£339,650	£192,589	£174,746	£341,270	£1,620	
ICT	£1,226,540	£616,069	£686,273	£1,204,006	(£22,534)	
Offices	£524,910	£372,732	£357,034	£540,830	£15,920	
Planning Services	£307,020	£177,654	£177,216	£303,450	(£3,570)	
Policy and Community Development	£649,600	£351,915	£381,921	£639,287	(£10,313)	
Revenue and Benefit Services	£183,090	£113,967	£94,647	£162,380	(£20,710)	
	£5,674,850	£3,195,544	£2,998,311	£5,563,300	(£111,550)	
Housing Services						
Housing Strategy	£90,180	£51,555	£46,753	£92,430	£2,250	
Housing Advice	£14,990	£8,747	£8,521	£14,990	£0	
Housing Advances	£0	£0	£0	£0	£0	
Private Sector Housing Renewal	£133,560	£101,978	£100,217	£132,120	(£1,440)	
Homelessness	£216,260	£45,358	£36,524	£208,230	(£8,030)	
Housing Benefits Payments	(£158,950)	(£88,608)	(£131,239)	(£190,900)	(£31,950)	
	£296,040	£119,030	£60,776	£256,870	(£39,170)	
Highways Roads & Transport Services						
Environmental Safety Routine Maintenance	£10,960	£6,399	£2,876	£10,850	(£110)	
Parking Services	£81,130	£55,544	£46,570	£81,480	£350	
Public Transport	£424,770	£366,588	£308,638	£425,180	£410	
	£516,860	£428,531	£358,085	£517,510	£650	
Corporate and Democratic Core						
Democratic Representation & Management	£329,320	£206,625	£197,922	£332,010	£2,690	
Corporate Management	£170,000	£91,617	£44,343	£170,000	£0	
	£499,320	£298,242	£242,265	£502,010	£2,690	
Non-Distributable Costs						
Capitalisation of Salaries	(£125,000)	£0	£0	(£125,000)	£0	
Transitional Vacancy Savings	(£160,670)	£0	£0	(£34,836)	£125,834	
Premature Retirements	£49,700	£0	£23,067	£52,440	£2,740	
Contingency	£74,500	£0	£0	£74,500	£0	
Efficiency Savings	(£300,000)	£0	£0	(£300,000)	£0	
	(£461,470)	£0	£23,067	(£332,896)	£128,574	
Total	12,277,630	7,676,850	7,101,378	12,148,577	(£129,053)	

Summary of Budget Variations 2009/10 – October 09

Reference	Service Area	Variance Outturn-Budget
1	Local Land Charges	Less Income than budgeted due to the economic recession.
2	Environmental Health	Surplus income due to unbudgeted contribution from PCT towards staffing.
3	Street Cleansing	Savings on the Waste Management contract from reduced inflation level.
4	Planning Policy	Additional grants from DCLG £7,500. Savings on contributions to North Northants Development Corporation (£5k), Historic Building Grants (£17k) JPU (£30k), as spend is lower than budgeted for this year.
5	Community Development	Salary savings due to vacancy.
6	Resources	Efficiency savings on Mail costs (£10k), savings on Procurement-Licence (£12k).
7	Customer Services	Salary savings due to vacancy.
8	Organisational Development	Reduction in staff turn-over and recruitment has resulted in a reduced need for external adverts for new staff. More cost effective routes for advertising, for example the internet, are also being used.
9	SMT	Variance due to one post being split between Organisational Development. Offsetting variance forms part of the variance shown on that area.
10	ICT	Maternity savings (£8k), spend less than budgeted on car allowances (£6k), software support (£7.2K), network switch maintenance (£8k), offset by overspend on running costs for the private circuit line Oundle-Thrapston.
11	Offices	Increase on Electricity supply (£25k), offset by NNDR refund (£9.4k) due to re evaluation requested by CAB.
12	Policy & Community Development	£10k savings on contract Media & Comm. Publishing.
13	Revenue & Benefit Services	Deletion of duplicated cash collection budget (£15k) plus savings on business continuity, salary and mileage costs.
14	Homelessness	Extra grants from Kettering (£5,000) for Homelessness. £2,000 saving on Homelessness contract as inflation less than budgeted.
15	Housing Benefits Payments	Increase in Business Administration subsidy to deal with the increasing caseload arising from the recession. This will be offset by additional staffing and associated costs with the intention of carrying forward the remaining under spend to fund additional costs in 2010/11.

Salary Budget Monitoring Report - October 2009

Appendix 3

Summary - All Departments

Directorate	2009/10 Budget (A)	Budget to Date	Spend to Date	Variance to date	Current Spend Forecast (B)	Forecast Variance A - B
Chief Executive Dept	198,340	115,700	112,191	(3,509)	192,324	(6,016)
Executive Director (ML)	3,525,240	2,056,400	1,954,575	(101,825)	3,350,684	(174,556)
Executive Director (SM)	3,836,510	2,238,000	2,117,363	(120,637)	3,629,703	(206,807)
Totals	7,560,090	4,410,100	4,184,129	(225,971)	7,172,711	(387,379)