

Renewal & Recreation Portfolio - Budget Monitoring - 30 September 2012

Summary of latest financial position

2011/12 Actuals £'000	Division Service Areas	2012/13 Original Budget £'000	2012/13 Latest Approved £'000	2012/13 Projection £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	R&R PORTFOLIO							
73	Housing Strategy & Development Housing Strategy & Development	(16)	(16)	(4)	12	1	0	0
73		(16)	(16)	(4)	12		0	0
	Planning							
15	Building Control	(22)	16	16	0	2	0	0
(169)	Land Charges	(281)	(169)	(169)	0		0	0
1,011	Planning	801	798	798	0	3	35	290
1,264	Renewal	1,167	1,230	1,218	(12)	4	(35)	0
2,121		1,665	1,875	1,863	(12)		0	290
	Recreation							
2,610	Culture	2,315	2,328	2,328	0		0	0
5,285	Libraries	4,816	4,843	4,843	0	5	0	0
374	Town Centre Management & Business Support	294	294	294	0	6	0	0
8,269		7,425	7,465	7,465	0		0	0
10,463	TOTAL CONTROLLABLE	9,074	9,324	9,324	0		0	290
	Non Controllable expenditure							
4,181	Non Controllable expenditure	2,207	2,211	2,211	0		0	0
2,294	Excluded Recharges	1,957	1,957	1,957	0		0	0
16,938	TOTAL R&R PORTFOLIO	13,238	13,492	13,492	0		0	290

Reconciliation of latest approved budget

£'000

Original budget 2012/13 (as per FCB)

13,245

Transfer of AEC to ECS Department

(7)

Revised original budget 2012/13

13,238

Allocation from contingency for Land Charges

112

Allocation from contingency for Building Control Charges

38

Carry forward for Local Development Framework studies

60

Carry forward for libraries shared service one-off costs

40

Property Services Rental Income

4

Latest Approved Budget for 2012/13

13,492

Renewal & Recreation - Budget Monitoring Notes - 30 September 2012

1) Housing Strategy & Development Dr £12k

As a result of deferral of part of the 2012-13 savings initiatives and following final settlement in September, there is an overspend of £12k.

Within income from affordable housing charges, there is a projected deficit of £60k. This is largely due to the on-going effects of the economic downturn, which have seen reduced planning & building initiatives and therefore a reduced requirement to provide affordable housing.

This deficit is being offset by a projected underspend within salaries of £60k, resulting from two vacant posts being held vacant.

2) Building Control £0k

Based on information to date, an income deficit is projected of £180k. This is being offset by savings of £180k from management action to reduce costs, including holding 3.7ftes vacant.

3) Planning £0k

Income from non-major planning applications is £155k below budget for the first six months of the year and a deficit of £300k is projected for the year. The actual income for the April to September 2012 is £67k higher than that received for the six months last year. Total income is therefore expected to be £72k higher than 2011/12, however, still some £300k below budget. The income projections have assumed the statutory price increase will be effective from 1st January 2013. Full year effect of the price increase is expected to be around Cr £130k and will not therefore offset the current deficit forecast.

Only £78k has been received for major applications this year, compared to £112k for the same period last year. (Although it should be noted that £28k has already been received in October 2012, which is already an increase of £24k from October 2011). Planning officers within the major team have provided a schedule of potential future income that may be received before the year end of approximately £160k, and therefore a shortfall of income totalling £50k is projected from major planning applications.

There is a projected surplus within income from pre-application meetings of £50k, due to higher than budgeted activity levels. Overall, this gives rise to a net projected deficit within income of £300k.

Continuing management action to hold 6.6fte posts vacant, has resulted in a projected underspend within salaries of £255k. There are further projected underspends across supplies and services budgets of £45k, giving rise to an overall balanced budget.

Summary of variations within Planning:

£'000

Shortfall within income from non-major applications	300
Shortfall within income from major applications	50
Surplus within income from pre-application meetings	(50)
Management action - underspends within salaries	(255)
Management action - underspends within supplies & services	(45)
Total variation for planning	0

The full year effect of the shortfall of income is likely to be £290k and Officers will need to review the service in order to ensure that there will be a balanced budget in future years.

3) Renewal Cr £12k

There is a projected underspend within salaries of £7k as a result of vacancies occurring during the year and a small variance of Cr £5k within running expenses.

4) Libraries £0k

There is an anticipated overspend on the Library IT budgets of £75k. This is largely due to two projects, the replacement of the Library Management System and the handover of responsibility for maintenance of hardware to Capita. Part of this process involves approximately 100 new PCs being installed for frontline staff, as well as costs associated with the transfer of data between the current and incumbent LMS suppliers. All efforts possible are being made to expedite these projects which involve a number of partners and third party contractors.

EARLY WARNING There are on-going discussions between LBB officers and Capita regarding the potential necessity for fibre-optic cabling being required as part of hardware maintenance arrangements. This could result in one-off expenditure of around £160k for which no current budget is provided. It is hoped that the existing copper cabling network can be utilised instead, therefore avoiding this potential cost.

There is a projected under achievement of income of £100k. The main areas of shortfall are library fines £40k, DVD hire and CD hire £25k, hall and room hire £15k, spoken word hire £10k, and a net £10k across other income streams. Year on year customers are borrowing fewer items overall which significantly affects both hire charges as well as fines.

To partly offset the above income deficit, management action is being taken to reduce expenditure within the libraries acquisition fund, giving a projected underspend of £40k. However, it should be noted that having fewer items available for loan etc is likely to further impact income hire and fines income in the future.

Within the staffing budget, there is a projected underspend of £80k. This is due to holding posts vacant pending Member decisions on potential reductions in opening hours (with consequent staff savings), as well as management action to help balance the overspend on IT budgets and income deficit.

There are also projected underspends within premises budgets of £50k. These comprise of £15k relating to a business rate rebate, £35k relating to lower contract cleaning and electricity costs than previously expected.

There is a further projected underspend within transport costs of £5k. This gives rise to an overall balanced budget across the library service.

Summary of variations within Libraries**£'000**

Overspend within IT budgets	75
Income deficit	100
Underspend from libraries acquisition fund	(40)
Underspend within staffing budget	(80)
Underspend within premises costs	(50)
Underspend within transport costs	(5)
Total variation for libraries	0