

## Agenda Item 7

<b>Report of</b>	Nick Gray, Strategic Director		
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<b>To</b>	Executive		
<b>Date</b>	23 <sup>rd</sup> October 2012		
<b>Executive Members</b>	Councillor Simon Ling		
<b>Agenda Item</b>	7	<b>Key Decision</b>	Yes
<b>Ward (s) affected</b>	All		
<b>Subject</b>	2012/13 April – August Financial Performance Report		

### RECOMMENDATIONS

1. That the Executive notes the Council's year end revenue outturn projection for Month 5 of £10,128,000 resulting in an underspend of £208,000 against a budget of £10,336,000, which is just over 2% of the 2012/13 budget.
2. That the management actions to deliver the Budget and Corporate priorities are considered and any further corrective actions required are identified.

### The Executive has the authority to determine the Recommendations

#### 1. Executive Summary

1.1 This report sets out the Council's Revenue forecast outturn position as at the 31st August 2012.

1.2 The Appendices to this report show:

**Appendix A:** an analysis of the Council's budget position by Business Unit;

**Appendix B:** an analysis of the Council's key service related income streams.

**Appendix C:** an update on the progress of the Capital Programme

1.3 The report highlights significant issues which have impacted this projected outturn, with more detailed explanations being contained within appendixes A-C.

1.4 The projected revenue expenditure has been given a green status.

Revenue Expenditure	2012/13 Budget (£000)	2012/13 Forecast (£000)	Variance vs. Adjusted (£000 / %)	Status: Red / Amber / Green
	10,336	10,128	(208)/ 2%	<b>Green</b>

Green = +/- zero to 2.49%, Amber = +/- 2.5% to 4.99%, Red = +/- > 5%

## **2. Summary of budget position as at 31st August 2012**

- 2.1 Overall the Council is projecting a total spend of £10,128,000 against its net revenue budget of £10,336,000. This results in an underspend of £208,000, which equates to a variance of just over 2%. After allowing for a small variation in the level of interest being earned on balances, the draw on revenue reserves in 2012/13 is projected to be £425,000 against the budgeted figure of £651,000. This is after allowing for a net increase in income of £18,000.
- 2.2 Given the fact that the budget is essentially on target, (small under spending), it is the Section 151 Officer's recommendation that no specific action needs to be implemented at this time, to manage the 2012/13 budget, over and above the normal operational management by officers.
- 2.3 However, this process needs to be continued, monthly, in order to ensure early identification and resolution of any major future budget variances that emerge.
- 2.4 Although not requiring immediate action, it is important that Portfolio Holders understand and support the budget positions of their respective services. It is therefore recommended that Portfolio Holders meet with each of their Business Managers to go through the budget and understand the key issues underpinning the achievement of it.
- 2.5 A summary of the significant variances and those that will give a greater risk in the long term impact on the budget, are identified in the table below. A narrative for these variances is outlined in the paragraphs in

<b>Service Area</b>	<b>Variance £000's</b>
Benefits	14
Car Parking	159
ICT	(35)
Financial services	45

## **3. Major Variances August Projections**

### **3.1 Benefits/Bed and Breakfast Accommodation:**

The projected overspending of £14,000 is primarily as a result of an under recovery of costs on Bed and Breakfast accommodation. The authority is only able to reclaim a 60% subsidy rate as a proportion of spend on this area so the remainder impacts on the Council's Revenue Budget. The cost of increased use of bed and breakfast facilities is offset by the higher rental income received by the Housing Services budget. Other risks of under recovery of subsidy are also offset by the Council's actions in relation to debt recovery for which the team achieved a good recovery rate.

- 3.2 **Car Parking:** The £159,000 overspending forecast for the car parking service has resulted from the weaknesses in the monitoring of the previous financial year which resulted in what now seems an overly ambitious target being set for the 2012/13 budget. Actions have been taken to prevent the recurrence of these weaknesses, which were specific to the one service, and as reported the overspending appears to be containable within the overall budget provision for the current year. However the longer term impact will need to be addressed as part of the 2013/14 budget planning process.

- 3.3 **ICT:** The under spending of £35,000 is primarily due to a vacant senior post whilst a partnership opportunity is clarified. As such it may or may not have a longer term impact going into 2013/14.

**3.4 Financial services:** The overspending of £45,000 is primarily due to higher temporary staffing to facilitate the production of the Annual Accounts and subsequent audit, and to cover maternity leave. This overspending will also include interim cover following the Financial Services Manager leaving the Council's employment. There may be some residual cost going forward into 2013/14.

#### **4. Corporate Implications**

##### 4.1 Legal Implications

There are no legal implications contained within this report.

##### 4.2 Financial and Risk Implications

This is fundamentally a finance report and as such those implications are contained within the report itself.

##### 4.3 Equalities Implications

There are no equalities implications as a direct consequence of this report.

##### 4.4 Employment Issues

There are no employment implications in this report.

##### 4.5 Sustainability Issues

There are no sustainability implications in this report.

##### 4.6 Consultation

There are no consultation issues in this report.

**APPENDIX A: Revenue Forecast Outturn by Service as at 31<sup>st</sup> August 2012**

Service	Manager	2012/13	2012/13	Budget	Forecast	Outturn	Budget	Budget
		£'000	£'000				Variance	Variance
							£'000	%
Benefits	R. Boxall	256	270				14	5
Building Control	M. Dean	(96)	(71)				25	26
Car Parking	R. Burrows	(1,210)	(1,051)				159	13
Community Support Services	T. Ward	92	89				(3)	(3)
Corporate Costs	J.Gill	952	991				39	4
Customer Services Unit & Communications	L. Bircher	669	635				(34)	(5)
Democratic Services	A. Davies	874	865				(9)	(1)
Development Control	G. Rhoades - Brown	413	416				3	1
Dorking Halls	K. Garrow	152	162				10	7
Environmental Health	R. Haddad	403	382				(21)	(5)
Financial Services	J.Gill	380	425				45	12
Housing	A. Wilks	345	344				(1)	0
Human Resources	K. Ivackovic	234	235				1	0
Information Communication Technology	B. Thomas	755	720				(35)	(5)
Legal Services	C. Harris	177	176				(1)	(1)
Olympics	L. O'Connell	464	240				(224)	(48)
Parks & Landscape	P. Stacey	581	598				17	3
Partnerships & Development	P. McCord	392	394				2	1
Planning Policy	J. Straw	593	549				(44)	(7)
Planning Support Unit	B. Rogers	210	191				(19)	(9)
Policy & Performance	P. Anderson	142	128				(14)	(10)
Property	P. Brooks	(945)	(947)				(2)	0

<b>APPENDIX A: Revenue Forecast Outturn by Service as at 31st July 2012</b>					
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>
Revenues & Exchequer	D. Price	390	<b>392</b>	2	1
Strategic Management Team	L. O'Connell	860	<b>807</b>	(53)	(6)
Waste Management, Street Cleansing & Sustainability	G. Kane	3,253	<b>3,188</b>	(65)	(2)
<b>Net Cost of Services</b>		<b>10,336</b>	<b>10,128</b>	<b>(208)</b>	<b>(2)</b>
Revenue Support Grant/Formula grant		(2,541)	<b>(2,541)</b>	0	0
Collection Fund Surplus		(61)	<b>(61)</b>	0	0
Council Tax Precept		(6,187)	<b>(6,187)</b>	0	0
Council Tax Freeze Grant		(307)	<b>(307)</b>	0	0
New Homes Bonus Grant		(282)	<b>(282)</b>	0	0
Investment Interest		(307)	<b>(325)</b>	(18)	(6)
<b>Total Non Service Income</b>		<b>(9,685)</b>	<b>(9,698)</b>	<b>(18)</b>	<b>0</b>
<b>Impact on General Fund</b>		<b>651</b>	<b>425</b>	<b>(226)</b>	<b>(35)</b>

**APPENDIX B**

**Income Monitoring 2012/13 - as at 31st August 2012**

Income Stream	Budget Manager	Activity/performance indicator and Income profile	Per profile		Per monitoring		Variance	
			expected to date	expected to yr end	actual to date	projected to yr end	to date	to yr end
Parking - pay and display	Richard Burrows	Tickets purchased in month	594,284	1,490,710	479,500	1,210,192	114,874	280,518
		Income budgeted in month/£'000	529.0	1,326.7	474.5	1,167.8	54.5	158.9
Parking - penalty notices (Off St)	Richard Burrows	PCNs issued in month Off Street	2,527	5,726	2,153	4,855	374	871
		Income budgeted in month/£'000	53.0	120.2	46.3	110.0	6.7	10.2
Parking - penalty notices (On St)	Richard Burrows	PCNs issued in month On Street	1,210	3,380	1,564	4,485	(354)	(1,105)
		Income budgeted in month/£'000	30.5	85.0	44.5	105.0	(14.0)	(20.0)
Dorking Halls - events	Keith Garrow	Events taking place in month	16	48	8	45	8	3
		Income budgeted in month/£'000	104.7	294.0	105.4	294.7	(0.7)	(0.7)
Dorking Halls - hire income	Keith Garrow	Hires taking place in month	181	484	238	690	(57)	(206)
		Income budgeted in month/£'000	104.7	294.0	101.3	263.5	3.4	30.5
Dorking Halls - cinema income	Keith Garrow	Tickets sold in month	12,813	31,500	12,150	32,100	663	(600)
		Income budgeted in month/£'000	74.0	177.0	58.4	168.0	15.6	9.0
Dorking Halls - catering income	Keith Garrow	Income budgeted in month/£'000	27.6	71.0	24.4	68.0	3.2	3.0
Dial-a-ride	Tim Ward	Passenger journeys in month	12,178	28,709	11,053	26,057	1,125	2,652
		Income budgeted in month/£'000	40.3	102.3	39.6	97.0	0.7	5.3
Day Centres	Tim Ward	User attendances in month	12,514	31,244	14,438	33,400	(1,924)	(2,156)
		Income budgeted in month/£'000	14.0	32.8	14.4	31.1	(0.4)	1.7
Telecare charges - no of subscribers	Tim Ward	Subscribers as at month end	2,471	2,471	2,466	2,466	5	5
		Income budgeted in month/£'000	210.3	492.5	217.5	505.5	(7.2)	(13.0)
Telecare charges - block contracts	Tim Ward	Contracts as at month end	104	104	104	104	0	0
		Income expected in month/£'000	164.2	320.0	161.7	316.7	2.5	3.3
Planning fees - applications	Gary Rhoades -Brown	Applications received in month	585	1,400	601	1,400	(16)	0
		Income expected in month/£'000	160.1	384.3	144.6	350.0	15.5	34.3

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Land Charges	Brenda Rogers	Searches undertaken in month	523	1,170	600	1,240	(77)	(70)
		Income expected in month/£'000	90.8	203.0	113.2	220.0	(22.4)	(17.0)

Building control fees	Malcolm Dean	Applications received in month	355	775	345	750	10	25
		Income expected in month/£'000	195.0	446.7	170.4	410.3	24.6	36.4
Licensing - taxis	Richard Haddad	Licences issued in month	135	323	172	299	(37)	24
		Income expected in month/£'000	30.6	85.5	30.9	78.1	(0.3)	7.4
Licensing - public entertainment	Richard Haddad	Licences issued in month	276	666	325	666	(49)	0
		Income expected in month/£'000	22.3	73.2	27.5	73.2	(5.2)	0
Licensing - other	Richard Haddad	Licences issued in month	48	110	52	110	(4)	0
		Income expected in month/£'000	15.8	41.7	10.8	31.7	5.0	10.0
Council Tax	Price	Income expected in month/£'000	29,459	57,812	29,357	57,850	102	(38)
NNDR	Price	Income expected in month/£'000	19,072	36,818	19,285	36,818	(213)	0
Enforcement costs recovered	Price	Income expected in month/£'000	39.0	85.0	42.0	85.0	(3.0)	0.0
Rents	Brooks	Income expected in month/£'000	530.9	1,829.3	622	1,825.3	(91.9)	4
Recycling credits	Graeme Kane	Tons of recycling (MRF and Garden)	6,675	16,657	7,725	16,994	(1,050)	(337)
		Income expected in month/£'000	348.6	870.0	378.0	889.0	(29.4)	(19.0)
Garden waste scheme subscriptions	Graeme Kane	Monthly renewals (number of bins)	9,505	11,751	10,022	12,735	(517)	(984)
		Income expected in month/£'000	446.5	552.0	471.0	598.5	(24.5)	(46.5)
Special collections	Graeme Kane	Collections per month	343	824	385	919	(42)	(95)
		Income expected in month/£'000	17.5	42.0	19.7	47.0	(2.2)	(5)
Housing rents	Alison Wilks	Tenants as at month end	17	17	19	18	(2)	(1)
		Income expected in month/£'000	40.3	98.7	47.3	113.0	(7.0)	(14.3)
Benefit overpayments recovered	Rob Boxall	New debts raised in month/£'000	215	523	270	648	(55)	(125)
		Income expected in month/£'000	176	458	210	505	(34)	(47)

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### CAPITAL PROJECTS - 2012/13 – 2016/17 MAJOR WORKS

Current Major Projects	Manager	Project Budget £000	Estimated Spend £000	Variance £000	Project Target / Completion Date	Project Achievement / Completion Date
Telecare Equipment	Tim Ward	150	150	0	March 2015	
Dial-a-Ride Vehicle Replacement	Tim Ward	200	200	0	March 2022	
Disability Adaptations	Richard Haddad	760	760	0	March 2013	
Affordable Housing	Alison Wilks	1,620	1,620	0	March 2017	
Poplar Road	Alison Wilks	77	77	0	March 2013	
S106 Projects	Jack Straw					Variance remains in S106 funds
		200	160	(40)	March 2013	
Leatherhead High Street (S106)	Jack Straw	33	33	0	March 2013	
Gypsy Sites	Jack Straw	431	468	37	March 2011	Complete
Ashted Village Centre	Jack Straw	28	50	22	March 2012	Variance funded from S106
Leatherhead Leisure Centre	Patrick McCord	12,638	12,638	0	December 2010	December 2011
Community Grants	Patrick McCord	127	55	(72)	March 2013	
LINKS Playing field	Patrick McCord	100	100	0	March 2013	
Dorking Halls – General refurb	Keith Garrow	183	190	7	September 2011	
Betchworth Castle	Paul Brooks	84	84	0	March 2013	
Property projects	Paul Brooks	150	150	0	March 2013	
Keystone House	Paul Brooks	50	50	0	March 2012	
Carbon Reduction Project (CRP)	Graeme Kane	300	300	0	April 2015	
Multisports Conv. & Renovation	Paul Stacey	73	38	(35)	October 2013	
Kingston Rd Pavilion	Paul Stacey	241	241	0	October 2011	October 2011
KGV playing field improvements	Paul Stacey	100	100	0	Sept 2013	Moved to 2013/14
Brockham Big Field	Paul Stacey	200	380	180	March 2013	Sept 2012
Playground Refurbishment	Paul Stacey	82	82	0	March 2013	S106 funding £12k
Dorking Halls Cinema	Keith Garrow	200	180	(20)	March 2013	
Pippbrook House	Paul Brooks	750	750	0	March 2013	
Lower Lane Rec	Paul Stacey	172	167	(5)	April 2012	October 2011
Hit Squad Vehicle	Graeme Kane	60	48	(12)	April 2012	October 2012
Capitalised salaries	Janette Gill	340	347	7	March 2013	



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### CAPITAL PROJECTS - 2012/13 – 2016/17

Total Major Projects (> £50,000)	19,349	19,418	69
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### MINOR CAPITAL WORKS

CURRENT MINOR WORKS	Manager	Project Budget £000	Estimated Spend £000	Variance £000	Number of Projects Started	Number of Projects Completed
Minor Works Contingency	Richard Burrows	69	69	0	0	0
Estates & Car Parking (14)	Paul Brooks	321	347	26	4	2
Sustainability, Waste Management & Street Cleaning (12)	Graeme Kane	158	157	(1)	3	2
Information Comm. Tech. (2)	Bob Thomas	50	51	1	-	-
Parks & Landscape (17)	Paul Stacey	289	306	17	5	3
Community Support Services (6)	Tim Ward	107	107	0	-	-
Housing (5)	Alison Wilks	62	78	16	-	-
Dorking Halls (12)	Keith Garrow	189	182	(7)	-	-
Customer Servs Unit & Comms. (3)	Louise Bircher	45	45	0	-	-
<b>Total Minor Projects (&lt; £50,000)</b>		<b>1,290</b>	<b>1,342</b>	<b>52</b>		
<b>Current 'Live' Capital Projects 2012/13</b>		<b>20,639</b>	<b>20,760</b>	<b>121</b>		

#### Notes :

The number in brackets against the '2012/13 Minor Works' heading shows the current projects per Budget Manager. Minor works projects include carry forward sums from 2011/12 as well as new projects in 2012/13.

The budget for the Photovoltaic Panel Arrays agreed at Executive 12 July 2011 includes a carry forward from 2011/12 is not included, being approved under 'Part II' provisions

