

Appendix A6

DEVELOPMENT DIRECTORATE

Revenue Monitoring

Approved budget as reported at Quarter 1		£2,261,700
Adjustments to budget		
	£0	£0
Revised Approved Budget		<u>£2,261,700</u>
Forecast Outturn at 31 March 2011		£2,536,500
Forecast over(under)spend		£274,800*

*£282,700 to be met by a transfer from earmarked reserves so the net underspend is £7,900

The significant issues arising during the period July to September that Members should consider are:

Service	Approved Budget	Q1 Forecast	Q2 Forecast	Potential Budget Saving	Q2 Forecast Year End Variance	Explanation including assumptions made and risk assessment of the forecast
Development Directorate	£121,100	£123,300	£78,300	£0	(£42,800)	The savings are due to the restructure and the removal of the Development Director Post.
Ashwell Business Units	£0	£20,000	£17,400	£0	£17,400	The original budget was set assuming a breakeven position. However a shortfall in rental income is predicted in the first year of operation. The intention is to meet the shortfall from the Local Authority Business Growth Incentive grant that was transferred into the Invest to Save Reserve at 31/3/10. The business units are expected to achieve small profits from 2011/12.
Communications & Performance	£97,600	£123,700	£108,700	(£15,000)	£26,100	At Quarter 1 an overspend was reported of £26,100 being due to Rutland County Council Web Site improvements committed contractually during 2009/10 and completed during 2010/11. This expenditure will be met from a transfer from the Invest to Save Reserve. Since Quarter 1 savings have been identified in the Road Closure budget amounting to £15,000 reducing the overall overspend.
Catmose Sports & Swimming	£0	£0	£54,800	£0	£54,800	The spend on meeting the costs of running the swimming pool had been included within the Active Recreation Budget. These costs have now been transferred to their own cost centre to facilitate monitoring. This spend will be met by an allocation from Invest to Save Reserve.

Service	Approved Budget	Q1 Forecast	Q2 Forecast	Potential Budget Saving	Q2 Forecast Year End Variance	Explanation including assumptions made and risk assessment of the forecast
Museum Service	£222,100	£244,700	£248,700	£0	£26,600	The income target for the Museum included a budget for Live @ which now appears to be have been too high for the first year of the programme.
Planning Policy	£178,200	£401,600	£355,400	£0	£177,200	The variance is due to ongoing work on the Local Development Framework and Minerals Core Strategy. This expenditure is to be covered by funds from the Housing and Planning Delivery Grant reserve as set out in Cabinet Report Number 4/2010. The HPDG reserve accumulated over recent years currently amounts to £409,000. Careful monitoring will be required to ensure the overall budget agreed to in the Cabinet Report is not exceeded.
Property Services	£263,700	£301,200	£298,200	£0	£34,500	Although Property Services have currently under gone a restructure to mitigate the budget pressures incurred during 2009/10 with regard to the need to use agency staff to deliver the maintenance programme, the budget still includes a recharge for staff time against the capital programme.
Total reduction in 2010/11 budget as a result of in year savings			£0			

Other risk areas that may affect the budgets over the next quarter/year:

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- Pit Lane Rents – the rental income receivable when the units are fully let is less than the amount budgeted for in 2010/11. Improved monitoring has mitigated the shortfall, the variance being forecast at £8,300 for Q2.
- Central Furniture & Central Maintenance – careful monitoring is required to prevent any over spend in 2010/11.
- Live @ - included in museum budget in 2009/10, in 2010/11 has its own budget. Careful monitoring will be needed during 2010/11 to manage the development of this programme and overtime requirements.

Capital Monitoring

The approved capital programme 2010/11 for the Development Directorate Portfolio is £21,592,900

Approved budget as reported at Quarter 1	£26,360,800
Adjustments to capital programme	
Re-profiling of Little Build & Better Schools for All budgets	(£4,767,900)
Revised Budget	£21,592,900
Forecast Outturn at 31 March 2010	£21,600,100
Forecast over(under)spend	£7,200

Approved Schemes

Scheme	Revised Budget	Q1 Forecast	Q2 Forecast	Q2 Variance against budget	Funding source	Explanation including assumptions made and risk assessment of the forecast
Catmose Campus	£13,428,600	£13,883,700	£13,428,600	£0	Grant/ Prudential borrowing	Overall scheme cost has not changed but variance has changed due to phasing of expenditure over financial years.
Little Build	£4,440,100	£7,129,000	£4,440,100	£0	Grant/ Contributions	The scheme was at the contractual stage when the DfE announced during week commencing 5/7/10 a c£660k reduction per Authority in the 14-19/SEN Targeted Capital Fund Grant, £296,500 coming from the Little Build project. The Capital Projects Team has negotiated with the contractors Wilmott Dixon to deliver the project taking into account the reduced funding available.
Better Schools for All	£3,712,600	£5,336,500	£3,712,600	£0	Grant	The scheme is funded from the same pot as the Little Build with work being handled by the same contractors. Phasing of programme has been reassessed on school opening in 2011/12.
Free Swimming	£11,600	£11,600	£11,600	£0	Grant	Free Swimming Capital – this is a carried forward ring fenced grant from the DCMS which was awarded to authorities who undertook the free swimming offer. It will be used to address some of the smaller works that are required to keep the pool operational. However this is currently on hold pending negotiation/agreement with Catmose Campus.

Scheme	Revised Budget	Q1 Forecast	Q2 Forecast	Q2 Variance against budget	Funding source	Explanation including assumptions made and risk assessment of the forecast
Access to Work	£0	£7,200	£7,200	£7,200	Reserves	Access to work was a £52k Capital project funded by The East Midlands Development Agency for £34k, with £18k match funding coming from Rutland County Council. This match funding will be met by the Invest to Save Reserve. £10,880 had been match funded in 2009/10 and £7,200 will be match funded in 2010/11.
TOTAL	£21,592,900	£26,368,000	£21,600,100	£7,200		