

AGENDA ITEM 15

POLICY, FINANCE AND ADMINISTRATION COMMITTEE

28 SEPTEMBER 2011

REPORT OF HEAD OF CENTRAL SERVICES

BUDGET MONITORING APRIL TO JUNE 2011

1.0 PURPOSE OF THE REPORT

- 1.1 To provide information on actual expenditure and income incurred on this Committee's services compared to the latest approved budget for the period 1 April 2011 to 30 June 2011.

2.0 RECOMMENDATION

- 2.1 **It is recommended that the financial position on each of this Committee's services to 30 June 2011 be noted.**

3.0 KEY ISSUES

- 3.1 As part of the Council's budget monitoring procedures all budget holders are asked on a quarterly basis to provide details of service and financial performance. Copies of the budget holders' returns are available for further information.

Overall Position

- 3.2 A summary of income and expenditure for all Council services is attached at Appendix A and detailed below. This information has previously been circulated to Members as part of the August Members' Newsletter.

	Approved Budget at June 11	April to June Budget	April to June Net Expenditure	Variance Underspend (-)
	£	£	£	£
General Expenses	6,422,640	3,613,211	3,851,839	238,628
Special Expenses	621,220	168,538	155,100	-13,438
HRA – Total Expenditure	6,785,370	1,199,056	1,213,954	14,898
HRA – Total Income	6,786,290	1,661,994	1,679,127	-17,133

Key Service Areas

- 3.3 The latest Key Service Areas report is attached at Appendix B with the Policy, Finance and Administration service areas highlighted. This report is presented to the Management Team on a monthly basis and highlights the high-risk budgets that were identified as part of the Council's budget protocols. These budgets are reviewed with budget holders monthly. Those budgets which are more complex in nature are supported by more detailed analysis of the service usage that drives the costs.
- 3.4 The report shows that, for those services for which this Committee is responsible, the level of income for both land charges and investment is very much as expected.

- 3.5 The overall position on the Key Service Areas shows a deficit of just over £51k mainly due to the reduction in the level of income in relation to car parks and planning and building control application fees, however, this is offset to some degree due to the predicted increase in benefits subsidy. These budgets will be carefully reviewed as the year progresses.
- 3.6 There are also a number of other budget variances identified on the budget action list, including those relating to Key Service Areas above, which are considered by the Council's Strategic Management Team on a monthly basis. As such the overall current predicted position, when taking into account all known variances, shows a net overspend of just over £92k.
- 3.7 A summary for all of this Committee's services is attached at Appendix C.
- 3.8 A summary of the income and expenditure for this Committee's services compared to the approved budget at June 2011 is as follows:

	Approved Budget at June 11	April to June Budget	April to June Net Expenditure	Variance Underspend (-)
	£	£	£	£
Direct Services	1,560,770	383,609	306,317	-77,292
Support Services	273,750	222,647	353,136	130,489
General Expenses	1,834,520	606,256	659,453	53,197
Special Expenses	14,500	3,625	4,094	469

- 3.9 The above figures for general expenses show an overspend of £53,197 the reasons for which are explained in paragraph 3.10 below.

Budget Variance Exception Reporting +/- £10k

- 3.10 As part of the budget monitoring process variances are being promptly and proactively managed facilitating more detailed reporting. Details of the potential 'full year' effect of the more significant variations +/-£10k with regard to this Committee's services are set out below:

Underspends

- (a) Elections - £55,985

Borough/Parish Council election costs to be transferred from the referendum account.

- (b) Corporate & Democratic Core - £37,828

No significant variations at this stage in respect of budgets under direct control, however, support costs, due to profiling are lower than the quarterly budget (£32k).

- (c) Council Tax Collection - £30,082

Increase in income from legal costs (although there will not be an increase in the predicted year end position), together with a number of small variations in respect of supplies, which will be committed later in the year.

Overspends

(a) Misc. Financing Items -£54,938

Savings target from the restructuring process where savings have been achieved was transferred to services in August.

Support Services £130,489 Overspend

Budget variances in respect of Support Services are attributable to the differences in the profiling of expenditure and income (i.e. recharges to services).

4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 Policy and corporate implications were addressed in setting the current year's budget. There are no further policy and corporate implications arising from this report.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 All financial and resource implications have been addressed within paragraph 3.0.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 Legal implications/powers were addressed in setting the current year's budget. There are no further legal implications arising from this report.

7.0 COMMUNITY SAFETY

7.1 Community safety issues were addressed in setting the current year's budget. There are no further community safety issues arising from this report.

8.0 EQUALITIES

8.1 Equalities issues were addressed in setting the current year's budget. There are no further equalities issues arising from this report.

9.0 RISKS

9.1 The regularity of budget monitoring for each specific budget is based on the level of risk attributed to that budget. This is determined at the start of the financial year and is reported to Members as part of the Council Tax setting report.

10.0 CLIMATE CHANGE

10.1 Climate change issues were addressed in setting the current year's budget. There are no further climate change issues arising from this report.

11.0 CONSULTATION

11.1 Budget Holders and the Service Accountant discuss the financial performance of the service accounts at budget monitoring meetings arranged with reference to current budget monitoring protocols.

12.0 WARDS AFFECTED

12.1 All wards are affected.

Contact Officer: Robert Child

Date: 31.07.2011

Appendices: Appendix A – Summary of Income & Expenditure – All Committees
Appendix B – Budget Monitoring - Key Service Areas
Appendix C – Summary of Income & Expenditure – PFA

Background Papers: Oracle Financial Reports
Budget Holder Comments on Performance

Reference: X: C'tees, Council & Sub-C'tees/PFA/28-9-11/DG - Budget Monitoring April to June 2011