

AGENDA ITEM 11

POLICY, FINANCE & ADMINISTRATION COMMITTEE

30th SEPTEMBER 2015

REPORT OF HEAD OF CENTRAL SERVICES

BUDGET MONITORING APRIL TO JUNE 2015

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 1st April 2015 to 30th June 2015.

2.0 RECOMMENDATION

- 2.1 It is recommended that the financial position on each of this Committee's services 30th June 2015 be noted along with the year end forecast.

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 of this Committee's services is attached at Appendix A. This information has previously been circulated to Members as part of the Members' Newsletter.

	Approved Budget at June '15 £	April to June Budget £	April to June Net Exp £	Variance (Under)/over spend £	Year End Forecast £	Year End Variance (Under) / overspend £
General Expenses	6,841,620	1,402,886	688,607	(714,279)	6,713,489	(128,131)
Special Expenses	621,670	141,716	67,267	(74,449)	621,670	0
HRA Total Expenditure	8,105,310	1,126,780	1,094,577	(32,203)	8,140,250	34,940
HRA Total Income	8,059,570	1,857,752	1,869,383	(11,631)	8,079,330	(19,760)

Key Service Areas

- 3.3 The Key Service Areas report as at the end of August 2015 for all services is attached at Appendix B. 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 overall position on the Key Service Areas shows a potential deficit of £41,301.

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- 3.5 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, as at 31st July 2015, when taking into account all known variances and unused budget reduction money, shows a net underspend of £108,275. The most significant year end underspends are IT £49,000, Development Control £30,000 and Wheels to Work £27,000.
- 3.6 A summary for all of this Committee's services is attached at Appendix C.
- 3.7 A summary of the income and expenditure for this Committee's services compared to the approved budget at June 2015 is as follows:

	Approved Budget at June 15	April to June Budget	April to June Net Expenditure	Variance (Under)/ over spend	Year End Forecast	Year End Variance (Under) / overspend
	£	£	£	£	£	£
General Expenses	1,754,620	226,321	107,427	(118,894)	1,673,004	(81,616)

Budget Variance Exception Reporting +/- £10k

- 3.8 As part of the budget monitoring process, variances are being promptly and proactively managed, facilitating more detailed reporting. Details of the more significant year end forecast variations +/-£10k (as shown in Appendix A) are also set out below:

Overspends

Central Expenses £11,780

Following a successful tender process the annual premiums have come in slightly above budget which was expected due to the current climate with the insurance markets. However, the change in insurance provider for the Wheels to Work scheme has seen a significant saving on the annual premium; a virement will be processed to offset these additional costs with this saving.

Underspends

Parkside £10,540

Reduction in the out of hours service as per the report to this committee on 27th January 2015 and employee costs underspend due to cleaner time being charged direct to the Phoenix House budget. A virement is to be completed to reflect this.

Land Charges £23,680

This underspend is due to a new burdens grant due to be received relating to the claim costs from personal search companies against Land Charges imposed.

Elections £15,000

The budget was set based on elections to be contested in all boroughs and parishes, but as some were uncontested, there were only 8 borough and 8 parish elections, this will result in an predicted saving of £15k.

Corporate Costs Finance £10,000

Saving to be achieved due to the outsourcing of the Audit Commission's in house practice.

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IT £49,000

Oracle Licensing has been finalised, which has resulted in payment of £24,000 being less than the amount carried forward for this purpose, and therefore a budget reduction has been processed.

A proposal to freeze the desktop environment at Windows 7 will result in savings of £25k.

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 The main financial and resource implications have been addressed within section 3. Carry forward requests are currently being complied as part of the accounts closedown process which will reduce the actual underspend. Carry forward requests are discussed later on the agenda.

5.2 Whilst the financial year end has now passed the organisation will be working on its closure of accounts process as there are number of year end adjustments required in preparing an overall outturn position. This will be presented to the committee as it meeting in July 2015.

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 There are no 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

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12.1 All wards are affected.

Contact Officer: Claire Burgess

Date: 25th August 2015

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:/Cttee, Council & Sub Cttees/PFA/2015-16/300915/Budget Monitoring
April to June 2015