

AGENDA ITEM 12

POLICY, FINANCE & ADMINISTRATION COMMITTEE

15th APRIL 2015

REPORT OF HEAD OF CENTRAL SERVICES

BUDGET MONITORING APRIL TO DECEMBER 2014

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 2014 to 31st December 2014.

2.0 RECOMMENDATION

- 2.1 *It is recommended that the financial position on each of this Committee's services to 31st December 2014 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 December 14 £	April to December Budget £	April to Dec Net Exp £	Variance (Under)/over spend £	Year End Forecast £	Year End Variance (Under) / overspend £
General Expenses	7,604,700	5,102,114	5,096,331	(5,783)	7,055,839	(548,861)
Special Expenses	595,850	451,036	484,506	33,470	604,750	8,900
HRA Total Expenditure	8,251,070	3,202,820	2,845,894	(356,926)	8,166,245	(84,825)
HRA Total Income	7,859,920	5,803,671	5,822,459	(18,788)	7,877,820	(18,000)

Key Service Areas

- 3.3 The Key Service Areas report as at the end of February 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 surplus of £137,834.

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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 28 February 2015, when taking into account all known variances and unused budget reduction money, shows a net underspend of £384,470. The most significant year end underspends are Customer Services £101k, Development Control £130k and IT £90k. This compares to the estimated year end position of a £243k under spend as reported to Full Council on 4th February 2015.
- 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 December 2014 is as follows:

	Approved Budget at Dec 14	April to December Budget	April to December Net Expenditure	Variance (Under)/ over spend	Year End Forecast	Year End Variance (Under) / overspend
	£	£	£	£	£	£
General Expenses	2,103,170	1,293,886	993,724	(300,162)	1,619,980	(483,190)
Special Expenses	12,830	9,622	12,822	3,200	13,830	1,000

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

Legal Services £12,000

Agency costs to cover the vacant Principal Solicitor post and there has also been more work than anticipated outsourced to the private sector.

Underspends

Corporate Costs – Finance £17,000

This is the current position based on savings that will be achieved on external audit fees due to the recent procurement exercises undertaken by the audit commission.

NNDR Collection £374,000

Surplus income due to section 31 grant received which has been allocated to this service rather than NNDR income shown below the net costs of services line in the original budget. It is also offset by a below the net costs of services line contribution to the Business Rates Reserve.

Central Services £15,000

There is an underspend due to vacant posts, a carry forward request will be submitted to support work required on the year end accounts.

ICT £90,000

The Client Support Strategy budget is not required for 2014-15, also the contingency built into the budget has not been fully utilised. Following a recent software audit by

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Oracle there may be additional licencing costs, discussions are ongoing and a carry forward request has been submitted.

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

12.1 All wards are affected.

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Date: 17th February 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/2014-15/150415/Budget Monitoring
April to Dec 2014