

AGENDA ITEM 8

POLICY, FINANCE & ADMINISTRATION COMMITTEE

30TH SEPTEMBER 2014

REPORT OF HEAD OF CENTRAL SERVICES

BUDGET MONITORING APRIL TO JUNE 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 30th June 2014.

2.0 RECOMMENDATION

- 2.1 *It is recommended that the financial position on each of this Committee's services to 30th June 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 14 £	April to June Budget £	April to June Net Exp £	Variance (Under)/over spend £	Year End Forecast £	Year End Variance (Under) / overspend £
General Expenses	7,346,580	1,730,386	1,423,116	(307,270)	7,434,562	87,982
Special Expenses	585,610	146,403	198,134	51,732	586,785	(3,825)
HRA Total Expenditure	8,236,430	930,716	669,691	(261,025)	8,202,990	(33,440)
HRA Total Income	7,845,180	1,922,393	1,943,670	21,277	7,925,700	(80,520)

Key Service Areas

- 3.3 The latest Key Service Areas report as at the end of July 2014 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.

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- 3.4 The overall position on the Key Service Areas shows a deficit of £69,310. These budgets will be carefully reviewed as the year progresses.
- 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 30 July 2014, when taking into account all known variances and unused budget reduction money, shows a net overspend of £73,662. The most significant year end variances are Cattle Market £29k; Rent Allowances £33k and Rent Rebates HRA £23k. The position is being proactively managed by the Management Team with the aim to have a balanced position at the year end.
- 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 2014 is as follows:

	Approved Budget at June 14	April to June Budget	April to June Net Expenditure	Variance (Under)/ over spend	Year End Forecast	Year End Variance (Under) / overspend
	£	£	£	£	£	£
General Expenses	2,009,990	482,711	144,373	(338,338)	2,007,402	(2,588)
Special Expenses	8,000	2,000	9,286	7,286	8,000	0

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:

3.6.1 Overspends

Internal Audit £10,000

There is a vacancy (Head of Consortium) that will be filled by agency staff from September to March.

3.6.2 Underspends

Corporate Costs – Finance £10,000

This is the current position based on savings that will be achieved on external audit fees due to the outsourcing of work.

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 section 3.

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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.

Contact Officer: Claire Burgess

Date: 26th August 2014

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/2014-15/30 09 14/Budget Monitoring April to June 2014