

AGENDA ITEM 13

POLICY, FINANCE AND ADMINISTRATION COMMITTEE

29 SEPTEMBER 2010

REPORT OF HEAD OF FINANCIAL SERVICES

BUDGET MONITORING APRIL TO JUNE 2010

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 2010 to 30 June 2010.

2.0 RECOMMENDATION

- 2.1 **It is recommended that the financial position on each of this Committee's services to 30 June 2010 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 10	April to June Budget	April to June Net Expenditure	Variance Underspend (-)
	£	£	£	£
General Expenses	7,048,403	3,342,161	2,909,418	-432,743
Special Expenses	553,910	146,603	145,677	-926
HRA – Total Expenditure	6,587,340	1,095,602	889,581	-206,021
HRA – Total Income	6,732,530	1,459,885	1,417,201	42,684

Key Service Areas

- 3.3 The 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, there is a reduction in the amount of income in respect of land charges. This is due to a downturn in the housing market which has resulted in fewer applications to the Council.

- 3.5 The overall position on the Key Service Areas shows a deficit of just over £147k mainly due to the reduction in the level of income in relation to car parks, planning application fees and land charges. 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 £146k after allowing for the £85k surplus carried forward from 2009-10. If savings are not identified elsewhere reserves will have to be drawn on by this amount at the year end based on this latest estimate.
- 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 2010 is as follows:

	Approved Budget at June 10	April to June Budget	April to June Net Expenditure	Variance Underspend (-)
	£	£	£	£
Direct Services	1,766,933	513,750	362,170	-151,580
Support Services	136,710	60,777	61,693	916
General Expenses	1,903,643	574,527	423,863	-150,664
Special Expenses	8,900	2,225	3,712	1,487

- 3.9 The above figures for general expenses show an underspend of £150,664, 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) Corporate Repairs and Maintenance - £18,377

Work may be required later in year at Waterfield Leisure Pools and consequently these funds may be used for this project.

- (b) Corporate & Democratic Core - £24,052

Subscriptions still to be paid together with various consumables which will be charged later in the year.

- (c) Corporate Costs – Finance - £52,678

Audit Fees to be paid later in the year as invoices are received from the external auditors.

(d) Non Distributed Costs - £20,082

Awaiting invoices for early retirement costs from the pension provider.

(e) Council Tax Collection - £28,077

Income from legal costs (summons) being transferred to the service on a regular basis – budget profiled late in financial year.

Support Services £916 Overspend

Budget variances in respect of Support Services are attributable to the differences in the profiling of expenditure and income (ie. 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: 31.07.2010

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: Committees/PFA/29-9-10/DG - Budget Monitoring April to June 2010