

AGENDA ITEM 12

POLICY, FINANCE & ADMINISTRATION COMMITTEE

13 APRIL 2016

REPORT OF HEAD OF CENTRAL SERVICES

BUDGET MONITORING APRIL TO DECEMBER 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 31st December 2015.

2.0 RECOMMENDATION

- 2.1 It is recommended that the financial position on each of this Committee's services 31st December 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 Dec '15 £	April to June Budget £	April to June Net Exp £	Variance (Under)/over spend £	Year End Forecast £	Year End Variance (Under) / overspend £
General Expenses	6,924,210	4,936,456	4,333,766	(602,690)	6,923,640	(570)
Special Expenses	621,670	438,602	479,591	40,989	621,200	(470)
HRA Total Expenditure	8,141,420	3,869,521	3,428,986	(440,535)	8,041,420	(100,000)
HRA Total Income	8,095,680	5,912,054	5,929,201	(17,147)	8,105,680	(10,000)

Key Service Areas

- 3.3 The Key Service Areas report as at the end of February 2016 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 £140,407.

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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 29th February 2016, when taking into account all known variances and unused budget reduction money, shows a net underspend of £11,360.
- 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 2015 is as follows:

	Approved Budget at Dec 15	April to June Budget	April to June Net Expenditure	Variance (Under)/ over spend	Year End Forecast	Year End Variance (Under) / overspend
	£	£	£	£	£	£
General Expenses	1,662,900	971,379	865,995	(105,384)	1,552,440	(110,460)

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

NNDR Collection £36,310

Shortfall of section 31 grant against budget based on latest monitoring.

Council Tax Collection £17,000

Shortfall on legal fees, due to the reduction of summonses costs following national legal challenge. Also fewer cases are continuing to liability orders and there has been a reduction in the number of summons issued. (3,522 in 2014 to 3,018 in 2015)

Underspends

Parkside £18,000

Salary savings to reflect establishment not fully staffed and savings on utilities due to milder weather.

My and My Learning £20,000

Part year vacancy saving and reduced expenditure on commissioned services

Miscellaneous Financing Items £49,080

Inflation contingency budget not utilised.

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.

Communities and Neighbourhoods £13,000

Part year vacancy savings and software savings from Rental Exchange model, replacing Home Swapper.

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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.

4.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

- 4.1 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.

- 4.2 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 2016.

5.0 LEGAL IMPLICATIONS/POWERS

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

6.0 COMMUNITY SAFETY

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

7.0 EQUALITIES

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

8.0 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.

9.0 CLIMATE CHANGE

- 10.1 There are no climate change issues arising from this report.

10.0 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.

11.0 WARDS AFFECTED

- 12.1 All wards are affected.

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Date: 11th March 2016

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/2015-16/130416/Budget Monitoring April to Dec 2015