

AGENDA ITEM 12

POLICY, FINANCE & ADMINISTRATION COMMITTEE

12 APRIL 2017

REPORT OF HEAD OF CENTRAL SERVICES

BUDGET MONITORING APRIL TO DECEMBER 2016

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 2016 to 31st December 2016.

2.0 RECOMMENDATION

- 2.1 It is recommended that the financial position on each of this Committee's services 31st December 2016 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 '16 £	April to Dec Budget £	April to Dec Net Exp £	Variance (Under)/over spend £	Year End Forecast £	Year End Variance (Under) / overspend £
General Expenses	6,987,390	5,004,749	3,219,093	(1,785,657)	6,844,050	(143,340)
Special Expenses	638,730	499,766	334,282	(165,484)	632,530	(6,200)
HRA Total Expenditure	8,504,280	3,853,818	3,439,013	(414,805)	8,465,280	(39,000)
HRA Total Income	8,036,300	6,017,093	6,023,480	(6,387)	8,053,300	(17,000)

Key Service Areas

- 3.3 The Key Service Areas report as at the end of February 2017 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 overall surplus of £129,430.

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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 28th February 2017, when taking into account all known variances and unused budget reduction money, shows a net underspend of £145,190.
- 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 2016 is as follows:

	Approved Budget at Dec 16	April to Dec Budget	April to Dec Net Expenditure	Variance (Under)/ over spend	Year End Forecast	Year End Variance (Under) / overspend
	£	£	£	£	£	£
General Expenses	1,622,520	998,868	1,036,146	37,278	1,679,760	57,240

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

Land Charges £24,970

It is anticipated there will be an income shortfall; this is a reflection of the quantity of searches received and anticipated in the remaining 3 months of the year. This is significantly affected by the personal search market and use of Freedom of Information enquires as an alternative to searches (approximately 75 examples of this during 2016/17)

Miscellaneous Financing Items £125,000

It is currently anticipated the transformation savings target included when the budget was set will not be achieved.

Underspends

Parkside £37,650

Additional income £26,650 due to LPT not vacating until April 2017, despite serving notice to leave Parkside in September 2016. Savings on utilities £11,000 due to the impact of energy efficiency works resulting in reduced bills.

Central Services £12,000

Vacancy savings have not been fully spent on temporary resources as anticipated, due to problems with retention of agency staff. This is likely to be required to be carried forward to support the current review as reported elsewhere on this agenda.

IT £20,000

Savings arising due to lower laptop turnover (move from laptops to thin clients) and savings from the change from vasco sign in.

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Internal Audit £18,070

The shared service is ending on 31st March 2017 and moving to a delegated service with LGSS. As a result there are reserves to be redistributed to members.

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.

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: 23rd February 2017

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

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Reference: X:/Cttee, Council & Sub Cttees/PFA/2016-17/120417/Budget Monitoring April to Dec 2016