

REPORT TO THE EXECUTIVE MEETING OF 5th SEPTEMBER 2016

Meeting: Executive
Date: 5th September 2016
Subject: 2016/17 Revenue and Capital Monitoring - Quarter 1
Report of: Head of Finance and Corporate Services (s151 Officer)
Portfolio Holder: Councillor Phil King
Status: For Decision and Information
Relevant Ward(s): All

1 Purpose of the Report

1.1 To provide Executive with high level budget monitoring information for the period 1 April 2016 to 30th June 2016, and to highlight the forecast outturn position for 2016/17.

2 Recommendations:

2.1 To note the net expenditure against the budget for the quarter to 30th June 2016, Appendix A.

2.2 To note Capital Programme expenditure for the quarter to 30th June 2016, Appendix B.

3 Summary of Reasons for the Recommendations

3.1 The Council's financial performance up to 30th June 2016, together with known commitments for the remainder of the financial year, indicates that the General Fund Revenue Account is likely to outturn approximately £611k under below the approved budget of £11.824 million

4 Key Facts

4.1 Financial Position to 30th June 2016

4.1.1 The Council's 2016/17 net budget requirement, as approved by Council in February 2016, is £11.824 million, this is shown in column A at **Appendix A**, attached.

Appendix A shows the financial position at the first quarter, to 30th June 2016. Overall this is forecasting a projected underspend of £611k (5.2%) of the approved budget at the end of the year.

- 4.1.2 Similar to last year the Council is exceeding its income targets for development management due to high level of planning applications and has doubled the number of garden waste subscribers from the target of 9,250 subscribers with more than 18,500 households now subscribing to the service. The key outturn budget variances forecast at the end of Quarter 1 are:

Budget Area	Forecast Outturn saving £000s
Garden Waste Income above target	(369)
Net Salary Savings	(97)
Other Variances	86
Non Distributed Costs	(160)
Funding	(71)
Total	(611)

- 4.1.3 Levels of activity in Development Management remain high with forecast income of £899K against a target of £814K. In addition there a number of major applications for which fees were received in 2015/16 that continues into 2016/17. Monies were transferred into the planning reserve in 2015/16 for these schemes and this will be drawn down into the budget in 2016/17. Advance notifications of significant reserved matter applications for the Airfield Farm SDA area indicate that planning fee income is likely to exceed £1 million in 2016/17, though this has not yet been factored into the budget forecast. The Council continues to have to appoint agency planning staff to deal with the high workloads.

- 4.1.4 The quarterly budget monitoring report concentrates on variances over £25,000 in individual costs centres. Detailed monitoring is undertaken on all budgets through the Council's collaborative planning financial system.

The key service budget forecasts, positive and adverse outturn variances (> £25,000) reported at the end of the first quarter are:

Portfolio	£000's
Business Planning & Performance <i>Corporate Administration</i> Vacant posts saving (11) Subscription to online BSI service cancelled (10)	
Communities None	
Corporate Services <i>Head of Finance</i> Delay in implementing rationalisation of Car Allowances 45	
Environment & Regulation None Finance & Commercialisation <i>Building Control</i> Increased income following a marketing drive, several large projects secured (12) Saving in salary costs offset partly by agency costs (8) Other Variances (9) <i>Market Hall</i> Electricity Saving due to installation of solar panels (7) Increased income/occupancy of Market Hall (12) Premise savings (15) Other Savings (8) <i>Environmental Services</i> Increased green waste collection income, 9,250 customers were budgeted but to end of June 17,683 customers using the service (368) Additional Contractual Payments to FCC on Gain Share Basis 175 Additional Gate Fees (Garden and Dry Recyclates) 42 Other Variances (33) <i>The Symington Building</i> Facilities Management Fee Savings (36) Increase in service charges to partners renting space (7) Reduced premises costs (33)	

Planning & Regeneration	
<i>Development Management</i>	
Additional agency costs to cope with high levels of planning applications	93
Planning Fee Income in excess of target	(85)
Other Variances	55
Strategy/Economic Development	
None	

The savings are analysed against the portfolio structure operable at the beginning of 2016/17. Budgets will be aligned to the new portfolio structure for the quarter two report.

- 4.1.5 The Council continues to monitor the budget on a monthly basis and any adverse budget trends are identified. Where appropriate and possible action plans have been agreed to bring spend within the available budget.
- 4.1.6 In February 2016 the Council approved £1.170 million of savings and income generation proposals. An assessment has been undertaken with the majority of the proposals being achieved in 2016/17 as planned. The two key exceptions are:

Delivery of Savings/Income Generation	Target	Estimated Outturn	Comment
	£000s	£000s	
Introduction of subscription based garden waste service	370,000	739,000	Initial Business case was based on 9,250 subscribers. The Council now has over 18.500 subscribers
Rationalisation of Car Allowances	60,000	15,000	Consultation underway on changes in Council travel allowances scheme. Savings only likely to accrue in Quarter 4, therefore only a part year saving

4.2 Reserves

4.2.1 The outturn at the end of Quarter One results in an increase in the General Fund Balance of £611k.

4.3 Capital

4.3.1 *Capital Programme:* The Council approved a capital programme in February 2014 of £4.883 million. Elsewhere on the agenda is a request to approve £1.487 million of slippage from 2015/16 with the associated funding.

4.3.2 On the 6th June, Executive approved the letting of a contract for repairs to the rear wing of The Symington Building. On receipt of the tender the cost estimate was £272K (against a budget of £150K). It was agreed that the additional work would be funded from the capital receipts reserve.

4.3.3 The indicative capital programme is as below:

Capital	£000's
Approved Programme (Council, 22 nd February 2016)	4,883
Slippage from 2015/16 (subject to approval by Executive, 5 th September 2016)	1,487
Schemes approved in year:	
The Symington Building Roof Repairs – Additional Costs	121
TOTAL	6,491

4.3.4 Council in February approved flexibility to move capital allocations between financial years as part of a four year capital programme. No transfers were required in the first quarter of the year.

5 Legal Issues

5.1 The Council is required to set and manage a legal balanced budget. The Quarter 1 monitoring indicates that the Council financial commitments are being managed within the resources approved by Council.

6 Resource Issues

6.1 The Resource issues are highlighted in the main report. Spending is being managed within the approved budgets agreed by Council in February 2016.

- 6.2 The Council's Revenue Budget performance is shown in **Appendix A**. Key Capital Programme details are shown in **Appendix B**.
- 7 Equality Impact Assessment Implications/Outcomes
- 7.1 There are no equality issues arising directly from this report.
8. Risk Management Implications
- 8.1 It is important to monitor the position against budget regularly in order to ensure any issues can be addressed appropriately.
- 9 Consultation
- 9.1 Budget holders and service accountants discuss the financial performance against budgets at monthly budget monitoring meetings.
- 10 Background Papers
- 10.1 Budget Working Papers and Monitoring for 2016/17
-

Previous report(s): Council 22 February 2016 – General Fund Revenue & Capital Budget

Information Issued Under Sensitive Issue Procedure: N

Ward Members Notified: N

Appendices:

- A. Revenue Monitoring & Portfolio Analysis**
- B. Capital Monitoring**