

REPORT TO	DATE OF MEETING
Governance Committee	25 November 2015



SUBJECT	PORTFOLIO	AUTHOR	ITEM
2015/16 Budget Monitoring Statement as at September 2015	Finance & Resources	Susan Guinness	8

SUMMARY AND LINK TO CORPORATE PRIORITIES

This report provides an update on the Council's overall financial position compared to the financial plan for the first six months of the 2015/16 financial year. The following items have been included:

- Revenue Income and Expenditure (Appendix One).
- Progress in respect of the Efficiency Programme (Appendix Two).
- Capital Expenditure (Appendix Three)

RECOMMENDATIONS

1. That the Governance Committee review, note and comment on the report and appendices.

DETAILS AND REASONING

Overall Comments

It is pleasing to report that the financial position as at 30th September 2015 shows that the Council is performing well against its profiled budget and importantly the budget efficiency programme. It is should be noted, however, that this is based on a number of assumptions made with regard to expected spending patterns and levels of income received to the end of September. As some cost and income budget heads are demand driven it is too early in the year to accurately predict these cost types to the end of the year.

In summary, performance against budget as at 30th September 2015 is good but should be treated with some caution at this stage of the year. The current position is being closely monitored with particular regard to budgets that are subject to fluctuation and therefore present a higher risk with further updates being reported during the course of the year. Although some fluctuation is inevitable there are no foreseen significant budget pressures expected between now and the end of the year.

The Capital Programme spend continues to progress and this report seeks to capture the salient points on current projects.

An additional commentary is also included in the appendices to this report being a update brief on the progress on the revised Treasury Management Strategy as approved by Governance Committee in September 2015.

Budget Total

The approved revenue budget set by the Council in February 2015 was £13.194m less a £0.185m transfer from general reserves, giving a net budget requirement of £13.009m.

With regard to the in-year budget savings achieved to date, this should be considered in the context of the continued budget gap contained within the Council's Medium Term Financial Strategy to 2018/19 and the uncertainty of future levels of funding. The control of net expenditure is a key priority and therefore efficiencies are sought on a continual basis, a budget variation therefore does not invariably impact on service provision and performance.

Expenditure

The overall net expenditure as at the end of September is an underspend of £0.375m. There are underspends are concentrated in three of the main expenditure areas, being:-

- Employee costs - £0.127m
- Premises costs - £0.088m, and
- Supplies and Services - £0.035m.

Appendix One provides more detailed explanations for these variations.

Income

The main income streams are reported separately as these budget heads are subject to variations caused by circumstances outside the direct control of the Council and therefore have a higher degree of financial risk. At this stage in the year most of the Council's main income streams are performing well. Planning Application fee income, however, is significantly lower than the expected budget position at this stage in the year (profiled budget) by £94,000. Also, building control fees income is £25,000 below target, however, action is being taken to address this with more detail set out in Appendix One.

Efficiency Savings

The revenue budget approved in the Medium Term Financial Strategy (MTFS) includes an efficiency saving programme totalling £0.590m for 2015/16. The savings achieved in respect of the efficiency programme (expressed as a full year figure) are ££0.633m, therefore, as at the end of September it is anticipated that the total target will be exceeded by £0.043m at year end.

Business Rates Retention

Regular monitoring is being undertaken as increases or reductions in the tax base will impact on current and future years funding. The current trend is favourable, however, the complexities of the current technical framework mean that this will result in a short term in-year budget overspend as the additional levy payment due to Central Government (as a result of exceeding original forecasts) is paid in 2015/16 prior to the financial benefit being realised by the Council in 2016/17.

Capital Programme

Details of the Council's capital spending by project is contained in Appendix Three. The projected spend is compared to the full year budget accompanied by an explanatory summary. Actual expenditure and commitments at the end of September totalled £2.223m which is 49% of the total budget for the year of £4.528m.

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these.

FINANCIAL	The financial implications are contained within the report and attached appendices.		
LEGAL	None.		
RISK	Risk is identified in the report. The main risk area is the inclusion of assumptions with regard to spend profiles and external influences that will impact on the equivalent performance (that is, out-turn performance) against the full year budget. Therefore any conclusions drawn from the contents of the report should be treated with some caution at this stage of the year.		
THE IMPACT ON EQUALITY	This report is not considered to have any adverse impact on equality.		
OTHER (see below)			
<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

BACKGROUND DOCUMENTS

Budget Report and Medium Term Financial Strategy – Cabinet 11 February 2015.

Budget Out-turn Report 2014/15 – Governance Committee 24th June and 23rd September 2015

Treasury Management Report – Governance Committee 23rd September 2015