

Quarterly Financial Report

Summary

To inform Executive as to the position of the Council Finances as at the 31st December 2015

Portfolio Finance – Cllr Richard Brooks

Date signed off: 7th March 2016

Wards Affected

All

Recommendation

The Executive is advised to NOTE the Revenue, Treasury and Capital Position as at 31st December 2015.

1. Introduction

- 1.1 This is the third quarter monitoring report against the 2015/16 approved budget, which provides an update on the Revenue, Treasury and Capital budget position as at 31st December 2015.
- 1.2 Overall despite a number of over and underspends the Council is predicted to be £14k under budget which is just over 0.1% of the overall net revenue budget. This is after meeting the annual savings target of £250k and represents a remarkable achievement in the current environment given the pressures local government is under. Details are given in Annex A

2. Resource Implications

Revenue Budget

Services

- 2.1 The Council is currently under budget on wages, even after the vacancy margin and has managed to cover its £250k savings target included within the original budget.
- 2.2 Whilst in some departments predicted income targets are not being met e.g. due to reduced demand in areas such as planning this has been offset by reductions in expenditure in community and additional income from property investments.

Interest Received

- 2.3 Whilst we expected our income on investments rising by £100k in 2015/16 budget the Council is on track to meet its £300k budget for this

year. Investments are placed on the advice of the Councils treasury advisors and a change of policy in 2014 to diversify in to investment and property funds has helped to increase returns in what is otherwise a low interest market. Investments have been placed in a variety of banks, building societies, local authorities and funds in accordance with the treasury management policy.

Wages and Salaries

- 2.4 It is estimated that there will be an additional underspend of £40k on wages and salaries at the end of the year based on expenditure to date. This has been achieved by managing vacancies in line with service requirements. It should be noted that in overall cash terms wages are still at the same level they were 10 years ago.

Capital Budget

- 2.5 The Capital spend is high this year due to initiatives to support key priority 2. Of the total programme of £19.773m for the year £17.485m has been spent so far and of this almost £17m was on property acquisitions with other sums being spent on air conditioning, computer software, car parks and disabled facilities grants.
- 2.6 The properties acquisitions have all been funded through borrowing from the Public Works Loans Board and/or the Local Enterprise Partnership.

Debtors

Sundry Debts

- 2.7 Sundry debts include all debts except those relating to benefits. At the 31st December debts there were invoices totalling £739k unpaid. This is an increase of £133k against the £606k outstanding last quarter. Of the total due £338k relates to quarterly rents due.

Housing Benefit Debts

- 2.8 These debts arise when an overpayment in housing benefit has been made and thus has to be recovered. At the 31st December 2015 the balance was £611k which is an decrease of £32k compared to the last quarter.

3. Options

- 3.1 Members can accept and note the report or reject it.

4. Proposals

- 4.1 It is proposed that the Executive is advised to NOTE the Revenue, Treasury and Capital Position for the period to 31st December 2015.

5. Supporting Information

5.1 None

6. Corporate Objectives and Key Priorities

6.1 This item addresses the Councils Objective of delivering services efficiently, effectively and economically and demonstrates through investment that Key Priority 2 is supported.

7. Sustainability

7.1 Budget monitoring and financial control are important tools in monitoring the financial sustainability of the Council.

7.2 Key services are being maintained despite financial constraints

8. Risk Management

8.1 Regular financial monitoring enables risks to be highlighted at an early stage so that mitigating actions can be taken.

9. Officer Comments

9.1 Portfolio Holders receive detailed finance reports every month for each function within their portfolio to enable them to understand their areas. Based on the information available the Sec 151 officer expects the Council expects to end the year on budget.

BACKGROUND PAPERS	Monthly service and salary budget monitoring reports held in Finance
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CONSULTATIONS, IMPLICATIONS AND ISSUES ADDRESSED

	Required	Consulted	Date
Resources			
Revenue	✓		
Capital			
Human Resources			
Asset Management			
IT			
Other Issues			
Corporate Objectives & Key Priorities			
Policy Framework			
Legal			
Governance			
Sustainability			
Risk Management			
Equalities Impact Assessment			
Community Safety			
Human Rights			
Consultation			
P R & Marketing			

Review Date:

Version:

Annex A

Detail on the Revenue Budget Position at 31st December 2015

1. Services are asked to explain significant variances between their profiled budget and actual expenditure to date. They were then asked to predict what the yearend variance to budget will be.
2. The table below shows the budget position as at the 31st December 2015

Portfolio	Profiled Budget £'000	Actual Expenditure £'000	Variance Budget v actual £000	Predicted year end variance against budget £'000	Main reasons
Corporate	1,106	1,166	60A	28A	Election costs greater than expected due to high turnout
Legal and Property	610	74	536F	175F	Increase in property income due to property acquired during the year
Wages and Salaries				40F	Underspend in salaries after taking account of the vacancy margin
Business	466	902	436A	320A	Theatre income below budget but costs controlled. Net controllable outturn for theatre likely to in line with original business plan
Community Services	3,176	2,725	451F	438F	Reduction in contract prices for waste and street cleaning obtained by service
Financial Service	1,677	512	1,165F	Nil	Variance due to timing of benefits payments against grant receipts which will clear at year end
Regulatory	1,657	1,499	176F	45A	Fall in planning income offset due to reduced demand offset by savings in housing and land charges
Corporate Savings Target				246A	As per the original budget

Predicted variance at year end				14F	