

EXECUTIVE COMMITTEE

13th March 2012

APRIL – DECEMBER (QUARTER 3) - FINANCE MONITORING REPORT 2011/12

Relevant Portfolio Holder	Councillor Michael Braley, Portfolio Holder for Corporate Management
Portfolio Holder Consulted	Yes
Relevant Head of Service	Teresa Kristunas, Head of Finance and Resources
Wards Affected	All Wards
Ward Councillor Consulted	N/A
Non-Key Decision	

1. SUMMARY OF PROPOSALS

This report details the Council's financial position for the period April to December 2011 (Quarter 3 – 2011/12).

2. RECOMMENDATIONS

The Executive Committee is asked to RESOLVE that

the current financial position on Revenue and Capital be noted as detailed in the report.

3. KEY ISSUES

- 3.1 This report provides details of the financial information across the Council. The aim is to ensure Officers and Members can make informed and considered judgement of the overall position of the Council.

Financial Implications

- 3.2 A separate finance report for each department plus a council summary is shown on the following pages.
- 3.3 The Council set a balanced budget in February 2011 for the financial year 2011/12. Within the budget were included savings of £927,000 which were not fully identified. These included savings relating to shared services, Transformation, vacancies with the Council and changes to Terms and Conditions.

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**Revenue Budget summary Quarter3 (April –December) 2011/12 –
Overall Council**

- 3.4 The current financial position for services delivered within the Borough is detailed in the table below.
- 3.5 Internal recharges have not been included in these figures to allow comparison from budget to actual.

Service Head	Budget 2011/12 £'000	Budget April - December £'000	Actual spend April – December £'000	Variance to date April - December £'000	Projected Variance £'000
Environmental Services	3,393	2,762	2,644	(118)	(106)
Community Services	1,991	1,484	1,463	(31)	(35)
Regulatory Services	1,322	997	1,002	5	-
Leisure & Cultural Services	3,393	2,491	3,435	70	42
Planning & Regeneration	2,029	1,515	1,422	(96)	(110)
Customer Services	921	682	657	(25)	(25)
Finance & Resources	5,780	3,991	4,042	98	(9)
Legal, Equalities & Democratic Services	1,314	995	932	(63)	(59)
Policy, Performance & Partnerships	589	453	399	(54)	(64)
Business Transformation	883	694	695	1	-
Head of Housing Services	1,053	790	731	(58)	-
Corporate Services	327	245	190	(55)	(63)
SERVICE TOTAL	22,995	17,099	17,612	(326)	(429)
OTHER SAVINGS					(37)
TRANSFER FROM HRA					(300)
TOTAL					(766)

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Financial Commentary

- 3.6 Owing to the additional number of staff who are now entitled to claim essential car user allowance together with the increase in the HMRC (Her Majesty's Revenue and Customs) mileage rate, there is a projected saving of £8,000 to be delivered against the anticipated saving of £115,000.
- 3.7 Other main variances on both anticipated savings and current underspends include:
- a) An additional £14,000 New Homes Bonus than budgeted;
 - b) External Funding to Waste collection of £101,000;
 - c) Various savings from Vacant Posts;
 - d) There is a £66,000 saving from the cost of Internal Audit following its transfer to WETT. This is now reflected in the Audit budget;
 - e) The Head of Environmental Services has identified a further £37,000 of savings which have been removed from his budgets, these are shown in the table above;
 - f) An amount of £300,000 has also been identified that is due to be paid from the HRA to the General Fund.
- 3.8 The Finance Team is working with Service Managers to identify further savings and underspends to deliver the required savings whilst ensuring that the quality of service delivered to the community is not affected.

Housing Revenue Account (HRA)

- 3.9 There is a predicted saving of £42,000 on the HRA at the end of the 3rd quarter, this is against a budget of £22 million. Any savings will be returned to balances at the end of the financial year.
- 3.10 The savings relate to the Home Support Service and other general expenses.

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**Capital Budget summary Quarter 3 (April - December) 2011/12 –
Overall Council**

Department	Budget 2011/12 £'000	Actual spend April – December £'000	Balance To 31st March 2011 £'000
Business Transformation	163	137	26
Environmental Services	3,542	1,524	2,018
Planning & Regeneration	47	25	22
Regulatory Services	152	47	105
Community Services	1,301	503	798
Leisure & Cultural Services	6,765	6,690	75
Finance & Resources	773	105	669
Head of Policy, Performance & Partnerships	180	180	-
Housing Services (inc HRA)	7,642	4,613	3,029
Total	20,565	13824	6,742

Financial Commentary:

- The major variances are due to the fact some capital projects have not yet been started during 2012.
- The Abbey Stadium Project completed January 2012.
- Finance Officers are working with Heads of Service to establish the timetable for major projects.

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Treasury Management

- 3.11 The Council's Treasury Management Strategy has been developed in accordance with the Prudential Code for Capital Finance Prudential Indicators and is used to manage risks arising from financial instruments. Additionally treasury management practices are followed on a day to day basis.

Credit Risk

- 3.12 Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Credit risk is minimised by use of a specified list of investment counterparty criteria and by limiting the amount invested with each institution. The Council receives credit rating details from its Treasury Management Advisers on a daily basis and any counterparty falling below the criteria is removed from the list.
- 3.13 At 30th September 2011, short-term investments comprise:

	30 June 2011 £000	30 September 2011 £000	31 December 2011 £000
Deposits with Banks/Building Societies	10,500	15,800	18,500

Income from investments

- 3.14 An investment income target of £132,000 has been set for 2011/12 using a projected rate of return of 0.75% - 1.50%. During the past financial year, bank base rates have remained at 0.50% and current indications are projecting minimal upward movement for the short-term.
- 3.15 In the 9 months to 31st December, the Council earned income from investments of £81,000. An additional £62,000 is expected when a number of investments mature in the final quarter, exceeding total budgeted income by £11,000.

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General Fund Balances

- 3.16 The General Fund Balance as at the 31st March 2011 is £1,564,495; the budget set in February 2011 included an estimated use of balance of £494,956. Further balances this year may be used if the savings included in the budget are not fully met.

Legal Implications

- 3.17 No Legal implications have been identified.

Service/Operational Implications

- 3.18 Sound performance management and data quality are keys to achieving improved scores in the use of resources judgement. This performance report supports that aim.

Customer / Equalities and Diversity Implications

- 3.19 Performance Improvement is a Council Objective.

4. RISK MANAGEMENT

Risk considerations are covered within the report.

5. APPENDICES

Appendix 1	-	Environmental Services
Appendix 2	-	Community Services
Appendix 3	-	Regulatory Services
Appendix 4	-	Leisure & Cultural Services
Appendix 5	-	Planning & Regeneration
Appendix 6	-	Customer Services
Appendix 7	-	Finance & Resources
Appendix 8	-	Legal, Equalities & Democratic Services
Appendix 9	-	Policy, Performance & Partnerships
Appendix 10	-	Business Transformation
Appendix 11	-	Housing Services
Appendix 12	-	Corporate Services

6. BACKGROUND PAPERS

None.

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AUTHOR OF REPORT

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