

REPORT TO SCRUTINY COMMITTEE - RESOURCES
Date of Meeting: 18 MARCH 2015
Report of: Assistant Director Finance
Title: Budget Monitoring Report to 31 December 2014

Is this a Key Decision?

No

Is this an Executive or Council Function?

No

1. What is the report about?

This report advises Members of any material differences to the revised budget in respect of Resources revenue budgets.

Potential areas of budgetary risk are also highlighted in this report, so that Members are aware that certain budgets have been identified as being vulnerable to factors beyond the control of the Council, which may result in potential deviations from budget, and are therefore subject to close monitoring by officers.

2. Recommendations:

That Members of Scrutiny Committee – Resources assure themselves that satisfactory actions are being undertaken by Officers to address the key areas of budgetary pressure highlighted in this report.

3. Reasons for the recommendation:

Local authorities have a statutory duty to set and monitor their budgets during the year and to take any actions necessary because of potential overspending or potential shortfalls in income. Members are therefore presented with a quarterly financial update in respect of Resources.

4. What are the resource implications including non financial resources

The financial resources required to deliver Resources Services during 2014/15 are set out in the body of this report.

5. Section 151 Officer comments:

This report has been prepared on behalf of the Section 151 Officer to set out the projected financial position of Resources Services as at 31 March 2015.

6. What are the legal aspects?

Part 2 of the Local Government Act 2003 provides the legislative framework for the process of setting and managing budgets. In particular, Section 28 of the 2003 Act requires local authorities to monitor their budgets during the financial year.

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer.

8. Report Details:

Resources Budget Monitoring to 31 December 2014

8.1 Key Variations from Budget

The current forecast suggests that net expenditure for this committee will decrease from the revised budget by a total of £381,090 after transfers from reserves and revenue

contributions to capital, as detailed in Appendix 1. This represents a variation of 6.55% from the revised budget. This includes supplementary budgets of £184,120.

8.2 The significant variations by management unit are:

MU Code	Management Unit	Over / (Underspend)	Detail
86A1	Revenue Collection/Benefits	(195,050)	<ul style="list-style-type: none"> Recovery of overpayments has been higher than anticipated Revenue contribution to capital expenditure upgrading the Capita system
86A4	Civic Ceremonials	13,990	<ul style="list-style-type: none"> The rental income budget in respect of the Guildhall will not be achieved due to a bad debt and a void period.
86A5	Democratic Representation	(280)	<ul style="list-style-type: none"> An identified saving will not be achieved in year (see Appendix 2). The above saving has been achieved by underspends on various pay and supplies and services budgets.
86A7	Unapportionable Overheads	(6,240)	<ul style="list-style-type: none"> Reduced pension costs of former employees
86B1	Financial Services	9,140	<ul style="list-style-type: none"> Underspend on pay due to vacancies; overspend on agency staff due to sickness cover. Additional expenditure on software licences
86B2	Internal Audit	(4,000)	<ul style="list-style-type: none"> Underspend on pay due to maternity offset by redundancy payment.
86B3	Human Resources	(7,280)	<ul style="list-style-type: none"> Delay in recruitment for vacancy
86B4	Legal Services	(52,130)	<ul style="list-style-type: none"> Savings on pay due to post not filled Additional income from legal expenses
86B5	Corporate Customer Services	(131,370)	<ul style="list-style-type: none"> Underspend on Civic Centre reactive repairs and electricity budget. Saving on Postage due to change of supplier. Underspend expected on Mayoralty expenses and Civic Hospitality budgets Additional income from Civic Centre rental spaces and solar panel income above budget
86B7	Strategic Management	(13,920)	<ul style="list-style-type: none"> Some support work now charged direct to services.

9. How does the decision contribute to the Council's Corporate Plan?

Resources budgets contribute to 3 key purposes, as set out in the Corporate Plan; maintain the assets of our city, well run Council and customer access to help me with my housing and financial problem.

10. What risks are there and how can they be reduced?

Areas of budgetary risk are highlighted in this report. The key areas of budgetary risks within Resources are attached as Appendix 2, for reference.

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

No impact

12. Are there any other options?

No

Assistant Director Finance

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:

None

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