

HERITAGE, CULTURE AND LEISURE COMMITTEE

3 NOVEMBER 2015

Is the final decision on the recommendations in this report to be made at this meeting?

No

SECOND QUARTER BUDGET MONITORING 2015/16

Final Decision-Maker	Heritage, Culture And Leisure Committee
Lead Head of Service	Head Of Finance & Resources
Lead Officer and Report Author	Head Of Finance & Resources
Classification	Public
Wards affected	All

This report makes the following recommendations to this Committee:

1. That the Committee notes the revenue budget position as at September 2015, the predicted outturn to 31 March 2016 and the actions being taken to control the potential adverse variance.

This report relates to the following corporate priorities:

The medium term financial strategy and the budget are a re-statement in financial terms of the priorities set out in the strategic plan. It reflects the Council's decisions on the allocation of resources to all objectives of the strategic plan.

Timetable

Meeting	Date
Heritage Culture & Leisure Committee	03 November 2015
Policy & Resources Committee	25 November 2015

MEDIUM TERM FINANCIAL STRATEGY 2016/17 ONWARDS

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report provides a financial analysis of the committee's services in the second quarter of 2015/16. The information is provided specifically for the Heritage, Culture and Leisure Committee.
 - 1.2 The intention of the report is to ensure the Committee is regularly informed of performance and to enable it to take timely action where it is appropriate.
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2. INTRODUCTION AND BACKGROUND

- 2.1 The Head of Finance & Resources is the Responsible Financial Officer, and has overall responsibility for budgetary control and financial management. However in practice day to day budgetary control is delegated to service managers, with assistance and advice from their director and the finance section. It is best practice however to provide updates to the Committee on performance and this report is the second of four updates for 2015/16.

Revenue

- 2.2 The budget used in this report is the agreed estimate for 2015/16 including the carry forward resources agreed by Cabinet in April 2015. Actual expenditure to September 2015 includes all major accruals for goods and services received but not paid for by the end of the quarter.
- 2.3 An analysis that is summarised at service area, of the full year budget, the profiled budget to September 2015 and expenditure to September 2015 is attached as **Appendix A**. The financial analysis is based on direct expenditure only. This removes the influence of internal recharges and accounting adjustments upon the variance analysis. An indicative projected year end outturn figure is also shown.
- 2.4 Appendix A shows that actual spend is on target overall with a minor positive variance 2015 of £4,135 at the end of the second quarter. This variance incorporates variances that relate to the Cobtree Manor Park & Golf Course and these influence the figures in the report although the funds belong to the Charity.
- 2.5 The predicted outturn figures show only the major variances and these suggest a likely adverse variance of £100,328 at year end. This will be tempered by the smaller positive variances within the Committee's services. A brief explanation of the major variances is included against each significant variance in the Appendix.

Capital

- 2.6 The Committee has capital funding for the Play Area Improvements Programme and this work is set to commence this year. Current projections suggest that despite the later than intended start the programme will be completed during 2017/18.
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3. AVAILABLE OPTIONS

- 3.1 Option 1 – The Committee could chose not to receive quarterly budget monitoring reports or receive the reports at a more regular frequency. The current frequency is considered good practice and has been in place for many years at this Council, enabling an appropriate level of monitoring and timely action where necessary.
- 3.2 Option 2 - The committee could consider the details set out in Appendix A and propose alternative actions to those set out. The details set out in this report follow on from the first quarter's monitoring report. The current report shows that the proposals are having a significant impact and are suitable.
- 3.3 Option 3 - The committee could consider the details set out in Appendix A and agree to note the details reported by officers.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The recommended option is Option 3. The Committee should note the budget performance set out in Appendix A to this report and the actions that have been taken to mitigate some of this variance.
- 4.2 The year-end variance reported at £100,328 adverse, will be further mitigated by the minor budget variances that have been projected to be zero at the year-end as a most likely result would be a low level positive variance when all of these services areas are combined.
- 4.3 This information will be collated into an overarching report of the strategic budget position to Policy and Resources Committee. The strategic position is currently in balance and it is expected that Policy & resources Committee will not request further action at this time. The Council will follow good practice and officers will continue to control expenditure against budget to reduce the currently predicted year end over spend.
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5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 This is the second report to this committee on the 2015/16 performance against budget. The previous report showed a high predicted over spend by year end and the proposals so far put in place to control the budget have begun to show an effect.
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6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 Officers will continue to take all possible actions to control the budget and a report will be brought to a later meeting of this Committee on proposals to resolve the pressures at the Museum.
- 6.2 The high level details contained in this report will be reported to Policy & Resources Committee as a strategic overview of budget monitoring across the organisation.
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7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The medium term financial strategy and the budget are a re-statement in financial terms of the priorities set out in the strategic plan. It reflects the Council's decisions on the allocation of resources to all objectives of the strategic plan.	Head of Finance & Resources
Risk Management	A regular and timely awareness of the budget position assists the Committee to prepare for and control the risk of insufficient resources to achieve the Council's priorities.	Head of Finance & Resources
Financial	The financial implications are summarised in the report and set out in more detail in the Appendix. It is important that the committee gives consideration to any specific services areas that are at variance and the actions intended at this time.	Head of Finance & Resources
Staffing	None identified	Head of Finance & Resources
Legal	None identified	Head of Finance & Resources

Equality Impact Needs Assessment	None identified	Head of Finance & Resources
Environmental/Sustainable Development	None identified	Head of Finance & Resources
Community Safety	None identified	Head of Finance & Resources
Human Rights Act	None identified	Head of Finance & Resources
Procurement	None identified	Head of Finance & Resources
Asset Management	None identified	Head of Finance & Resources

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Exempt Appendix A: Savings Proposals 2016/17 to 2020/21

9. BACKGROUND PAPERS

None