

**COMMUNITIES, HOUSING &
ENVIRONMENT COMMITTEE****17 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	Policy & Resources 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 and the predicted outturn to 31 March 2016.

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
Communities, Housing & Environment Committee	17 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 Communities, Housing & Environment 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 positive variance of £120,128 at the end of the second quarter. This variance incorporates £60,000 in relation to the provision public health services that are externally funded and environmental enforcement income that has already been allocated by a decision of Council.
- 2.5 The predicted outturn figures show only the major variances and these suggest a likely adverse variance of £190,000 at year end. This will be tempered by all the smaller positive variances within the Committee's services. A brief explanation of the issue and /or action taken is included against each significant variance in the Appendix.

Capital

- 2.6 The Committee has capital funding for housing services that relates to the provision of social housing and support through grant aid for private sector landlords. Proposals are being developed to utilise some of this budget to acquire additional accommodation for families currently in temporary accommodation.
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3. AVAILABLE OPTIONS

- 3.1 Option 1 – The Committee could choose not to receive quarterly budget monitoring reports or receive the reports at a more regular frequency. However 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. However the details set out in this report follow on from the first quarter's monitoring report. The current report shows that the planned actions are being implemented with the appropriate effect on resources.
- 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.
- 4.2 The year-end variance reported at £190,000 adverse, will be partly mitigated by the minor budget variances that have been projected to be zero in the appendix, 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 close to a balanced position and it is likely that Policy and Resources Committee will agree the retention of positive variances from some committees to mitigate the adverse variances within others.
- 4.4 The Council will follow good practice and officers will continue to control expenditure against budget to reduce the currently predicted year end over spend where this is occurring.
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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 neutral variance which has become adverse in this second quarter. This is due to a lower assessment of the outcome of plans to control temporary accommodation costs and recognition of the set up costs of the changes in street cleaning.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 Officers will continue to take all possible actions to control the budget and utilise resources effectively.
- 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.

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 any actions officers are continuing 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:

- Appendix A: Budget Monitoring Report 2016/17 to 2020/21

9. BACKGROUND PAPERS

None