

Report to: Budget Panel
Date of meeting: 11th March 2013.
Report of: Head of Strategic Finance
Title: Finance Digest 2012/2013: Period 10 (end of January)

1.0 SUMMARY

1.1 This report informs the Budget Panel of the reported budgetary variances as at end of January 2013.

2.0 RECOMMENDATIONS

2.1 To consider the Finance Digest as at the end of period 10.

Contact Officer:

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3.0 INTRODUCTION

3.1 The Finance Digest monitors the Council's expenditure and income throughout the financial year. Where variances are adverse then Heads of Service are required to identify compensating savings wherever possible. .

3.2 The Period 10 (end of January) monitor has identified a number of variances and these are detailed within the attached Finance Digest at **Appendix 1**. A summary of these major variances is reproduced on Pages 3&4 and indicates the following:

- A forecast overspend of £67k
- Of this overspend, £488k to be specifically financed from earmarked reserves.
- The residual balance of £421k reflects a forecast general under spend against original budgets and is an exceptionally good forecast position. Should this continue to year end then one of the Council's general reserves (Economic Impact or Invest to Save) can be increased.

3.3 The Finance Digest at Appendix 1 only explains in detail the variances that have occurred within an individual period (in this case January) and this is because it would be cumbersome to keep reporting in detail all movements that have occurred throughout the year.

3.4 Detailed below however are the main variance that have resulted in a general under spend of £421k being forecast:

- a forecast salaries under spend of £256k and has largely occurred within Environment Services £83k (which includes the Customer Service Centre); and Corporate Management £139k and is primarily due to vacancies.
- the housing budgets indicate a £170k favourable position due to additional hostel income and reduced homelessness costs.
- sports and arts currently reflect a £200k under spend and is largely due to childrens' service re-structure £60k under; grants contingency £50k not spent; contract management £30k; events under spend £20k; utilities saving £37k
- environment services (apart from staffing) has forecast a £75k under spend due primarily to a waste service under spend of £50k due to reduced transport and supplies and services costs combined with additional income.
- development control is forecasting a circa £40k overspend due to reduced income from planning applications
- the property repairs and maintenance budgets forecast a £250k under spend due to the nature of the work being charged against capital.
- Anticipated income from the Harlequin and Charter Place in 2012/2013 being forecast to be £190k lower due to increased vacancies.
- shared services forecast a £228k overspend mainly within the revenues and benefits areas. The Council has, however, received additional government grant of £104k to meet 'new burdens' and although the grant is not ring fenced it can be utilised to reduce the overspend within the benefits service.
- strategic finance is forecast to overspend by £200k and this is because, during Period 10, a review of the Council's commercial rent portfolio has

taken place and an additional provision of £200k has been made to help meet the write off of bad debts where companies have been forced into administration.

4.0 FINANCIAL IMPLICATIONS

4.1 These have been included within the report.

5.0 LEGAL IMPLICATIONS

5.1 There are no legal implications arising out of this report.

6.0 POTENTIAL RISKS

Potential Risk	Likelihood	Impact	Overall Score
That the Council's Budget overspends and the use of unplanned reserves is the consequence	2	3	6

7.0 EQUALITIES

7.1 There are no equality implications arising out of the period 10 Finance Digest.

Appendices

Finance Digest Period 10 (end of January)