

QUARTERLY FINANCIAL DIGEST – APRIL 2011 TO MARCH 2012

1 Purpose

This report presents the Quarterly Digest for the period 1 April 2011 to 31st March 2012. This is the year-end report and presents the outturn position against the Council's budgets. The financial digest has been circulated separately.

2 Recommendations

2.1 Members are requested to consider the digest and its contents.

3 Supporting information

- 3.1 The outturn position for the year was an underspend of £613,193, compared to a budgeted use of balances of £445,000 and was £122,000 greater than the predicted underspend used in the Medium Term Financial Plan (MTFP) when the budget for 2012/13 was set.
- 3.2 This position comprises a number of ups and downs against the individual services but the continuation of the improved budget monitoring throughout the year ensured that action was taken to counter the effects of the economic downturn.
- 3.3 The actual contribution to balances was £132,215 due to a special £35,978 use of balances approved by Council during 2011/12 to fund one off costs associated with HS2.
- 3.4 The table below presents the year end position for 2011/12, which is subject to audit.

Portfolio	Current Budget	Actual Spend (Income)	Actual Significant Variances
Civic Amenities	2,263,900	2,410,887	146,987
Community Matters	1,774,800	1,606,601	(168,199)
Corporate Issues	15,900	11,522	0
Economic Development	2,677,100	2,497,660	(179,440)
Environment & Health	6,395,000	6,230,172	(164,828)
Leader	3,442,000	3,374,745	(67,255)
Leisure	6,430,300	6,369,729	(60,571)
Planned Development	3,527,000	3,262,273	(264,727)
Resources	1,584,700	1,552,310	(32,390)
Total Portfolio Expenditure	28,110,700	27,315,899	(794,801)
Investment Interest	(3,171,900)	(3,133,218)	38,682
Contribution To Reserves	7,944,000	7,944,973	0
Contribution From Reserves	(4,496,300)	(4,498,544)	0
Contingency Items	(3,334,100)	(3,204,923)	129,177
Asset Management	(2,365,800)	(2,375,699)	0

Financing Items	(2,516,400)	(2,475,340)	41,060
District Expenditure	20,170,200	19,573,148	(597,052)
Less Aylesbury Special Expenses	(877,600)	(877,600)	0
Net District Expenditure	20,822,600	20,391,940	(597,052)
Government Grant	(9,796,100)	(9,796,447)	0
Collection Fund	(9,051,500)	(9,067,294)	(15,821)
Underspend	445,000	(168,193)	(613,193)

Please Note: Figures in brackets are under spending / additional income

- 3.5 The 2011/12 budget still included a 2% target for salary savings, which equates to a figure of £400,000. By the end of the financial year £511,315 had been found towards this figure and from that amount £289,000 contributes to the figure in 3.4 above.
- 3.6 Whilst the outturn for 2011/12 showed an underspend this was forecast during the year and was reported in the previous digests along with areas that were being monitored. The following were the main areas that contributed to the underspend, increased development control income along with the savings on the sweeping, cleansing and horticultural contracts.
- 3.7 The underspend figure would have been higher if not for a shortfall in income from building control fees, £62,000 and the Council's car parking income was lower than expected by £214,000. Discretionary rate relief costs associated with the Aqua Vale and Swan Pool and further security costs at the TRW site prior to its demolition reduced the underspend.
- 3.8 A table showing the top 5 services which exceeded and fell short of budget target is set out below, more detail is contained within the body of the digest.

	Actual Outturn	Forecast Outturn	
Top 5 Under Budget			
Development Control	(171,952)	(207,000)	Salary savings and additional fees income
Sweeping & Cleansing	(93,829)	(23,600)	Savings on sweeping & cleansing contract
People & Payroll Services	(80,969)	(59,600)	Savings across a range of services
Parks, Pitches & Open Space	(71,125)	4,400	Savings on horticultural contract and utilities
Forward Planning	(57,863)	(45,000)	Salary savings and other minor cost savings
Top 5 Over Budget			
Car Park Management	214,182	27,500	Shortfall in income offset by salary savings and other costs savings
Building Control	62,545	75,000	Shortfall in fees income offset by savings in running expenses
Revenues	41,214	60,000	Discretionary rate relief costs associated with Aqua Vale and Swan Pool
Contract Services	36,545	32,200	Redundancy costs
Non Operational Property	35,710	9,800	Final costs associated with disposal of TRW site

- 3.9 Given the size of the Council's budget and the continuing wider economic problems the final outturn position represents a successful outcome in terms of containing the council's spending within the range predicted.
- 3.10 Within the outturn position are transfers from reserves equal to £4.7 million and transfers to reserves of £2.4 million, making a net transfer out of reserves of £2.3 million. The largest transfers from reserves were the £1.8 million from the Property Sinking Fund, which was used to fund some of the cost of the refurbishments currently being undertaken at the Aqua Vale swimming pool. Following on from last financial year the interest equalisation reserve had to make a contribution to the General Fund, this year £1.1 million, as the low interest rates continue to affect the amount of interest earned on the council's investments. The last page of the Digest shows the amount the Council invested throughout the year and that it achieved an average rate of interest of 1.5% on these investments.
- 3.11 Because of the range of topics covered by the digest and the difficulty in ensuring that the appropriate officer is on hand to answer service specific questions, full responses can only be guaranteed to those detailed questions which are notified in advance of the meeting, using the tear off sheet at the back of the digest.

4 Options considered

The report deals with issues of factual reporting and so options are not appropriate.

5 Resource implications

The resource implications are as detailed within the digest. The digest represents the main forum for reporting budget performance to members.

6 Response to Key Aims and Objectives

Budget monitoring helps us to ensure resources are deployed in a way that is consistent with our key aims and outcomes.

Contact Officer
Background Documents

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Quarterly Financial Digests June, September and December 2011
and Draft Statement to Audit Committee Report.