

## QUARTERLY FINANCIAL DIGEST – APRIL TO SEPTEMBER 2015

### 1 Purpose

- 1.1 This report presents the Quarterly Financial Digest for the period 1 April 2015 to 30 September 2015.

### 2 Recommendations

Members are requested to consider the digest and its contents.

### 3 Supporting information

- 3.1 This report presents the financial digest covering the period from 1 April 2015 to 30 September 2015 for members' consideration. The financial digest has been circulated separately.
- 3.2 The Digest presents the current position after the second quarter point of the year together with the latest estimate of the expected outturn. At the end of the quarter the predicted year-end position was for an additional contribution to balances of £1,076,000.
- 3.3 The increased contribution is the result of increased income in some areas and reduced expenditure in other areas. Page 3 of the digest outlines the main issues and shows the Top Five Over and Under Activities as well as the areas where budget holders' have re-forecast their expected outturn position due to activity changes in the second quarter.
- 3.4 In the first area of increased income, the Council now charges for Housing Developers to appear on a Preferred Developer list and this has generated £50,000 additional income. The Waterside South development is now generating income by levying service charge costs on the tenants and additional rental income has been received on other properties that the council rents out. Lastly, increased income of £76,000 has been achieved through the sale of waste collection bins.
- 3.5 The majority of the forecast underspend is the result of reduced expenditure, mainly salary related, which is the result of a number of section reviews. The following paragraphs summarise the main changes to the services on a portfolio basis.
- 3.6 Economic Development Delivery – Within the portfolio salary savings of £71,000 have been offset by redundancy and agency costs of £48,000 and the cost of replacing the microphones in the Oculus, £60,000.
- 3.7 Environment and Waste – Within the Waste Service salary savings, £100,000, and reduced fuel costs, £100,000 have been offset by reduced recycling credits of £170,000.
- 3.8 Finance, Resources and Compliance – This shows salary savings of £50,000 within the Finance and People & Payroll Services.
- 3.9 Growth Strategy – Within the Development Control and Planning Services areas, salary savings of £90,000 have been identified.
- 3.10 Leader - £32,000 of savings have been identified within the Members Allowances budget.
- 3.11 Leisure, Communities and Civic Amenities – Within this portfolio salary savings as a result of service reviews have realised £146,000 from Housing Services, £100,000 from Leisure Administration and £115,000 from within

Parks & Open Spaces. Other savings have been identified within the Grants budget, £26,000 and the Car Parking budget, £70,000. There have been some areas of additional expenditure, Community Centres, £13,000, the cost of continuing the funding of the Jonathan Play Centre, £16,000 and Waterside Public Realm, £16,000.

- 3.12 The affect is that the September Digest shows an expected year end under spend against budget of £1,076,000.
- 3.13 Apart from the changes detailed in 3.3 to 3.11 there were other minor changes in other areas. These are detailed in the notes section against each portfolio within the digest.
- 3.14 As reported throughout last year, budget holders' are asked continually to review all of their areas and to reforecast their budgets both positively and negatively in order to have as accurate a year end position as possible for the December Digest.
- 3.15 The New Homes Bonus schedule has been updated to reflect the contribution to be received in 2015/16 and shows the commitments against the resources. Everything else remains the same as reported in the June Digest.
- 3.16 As well as the revenue budget the digest, on page 14, also reports the level of reserves and provisions and any movements that have been made during the quarter. So far this year there have been no transfers in or out of any reserve.
- 3.17 For the majority of the reserves any movement tends to be in the last quarter so the position shown in this digest is not unexpected.
- 3.18 On page 16 there is information on the level of investments and borrowings during the second quarter. During the quarter no new long term borrowing was taken out so the current level of borrowing remains at £28.5m. The graph has been updated to show who the borrowing has been taken from, PWLB (Public Works Loan Board) or Local Authority.
- 3.19 The council had £47.25 million invested at the end of the quarter. This graph has been updated to give more information on who the investments are with. The graph now shows the investment split between banks, UK and foreign, Building Societies and MMF (Money Market Funds).
- 3.20 This Committee is requested to consider the contents of the Quarterly Financial Digest.

#### **4 Options considered**

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

#### **5 Resource implications**

- 5.1 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**

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