

BUDGET MONITORING REPORT TO 30TH JUNE 2015 (MONTH 3)

Cabinet Member: Councillor David Watson

Wards Affected: ALL

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PROPOSED DECISION

That Cabinet consider the current budgetary position at the end of June 2015, recognise the actions already taken and support the further budget holder action proposed to ensure that the budget is achieved.

Reason for Decision

The Cabinet approves a budget each year within the context of a Medium Term Financial Strategy to achieve the Council's priorities. Regular monitoring reports are submitted to Cabinet for review during the financial year, with management actions highlighted to ensure that Cabinet can assess whether any further action is required.

This report sets out the position for the General Fund Revenue Account, the Repairs and Renewals Fund, Major Projects spending and the position on Section 106 and Community Infrastructure Levy (CIL) monies for the three months of 2015/16. Cabinet is also asked to consider the Actions set out in this item and whether any further action may be required.

Corporate Implications

1. The financial implications are set out in the detailed report at Appendices A to D
2. Under the Local Government Act 2003, the Chief Financial Officer is required to report on the robustness of the budget. This monitoring report is part of the Council's financial framework which supports this wider responsibility.
3. The main budgetary risks to the Council have been reviewed as part of this report.

4. The appendices attached to this report are as reported to SMB.

General Fund position (Appendix A)

5. The report sets out the budgetary position at the end of June 2015 and identifies the key issues and actions being taken by officers. The financial position as presented has been reported to SMB.
6. At month 3 there is a variance of £2.259m underspend but budget holders are forecasting an underspend of £461k by the end of the year. The projected underspend includes a balance of £783k on the Contingency Fund (£483k of which is in year savings which have been removed from service budgets as recurring savings). The projected outturn now also reflects the decision by Cabinet in July to approve additional resources for the Planning Service totalling £175k.

Repairs and Renewals Programme (Appendix B)

7. Details of the Council's Repairs and Renewals Programme for 2015/16 can be found attached at Appendix B. Total expenditure at the end of June 2015 was £58k against a full year budget of £518k.

Major Projects Programme (Appendix C)

8. At the end of June 2015 a total of £7.6m had been spent against the budget of £35.7m for the year, further details can be found at Appendix C. The report shows the projected outturn position for each project as at the 30th June 2015.
9. The most significant project within the programme is the construction contract for Phases 1 and 2 of the Handy X Hub. This scheme is due to complete in November 2015 and the final outturn position is expected to change as the Council continues to work with the Contractor and its Project Managers to minimise cost overrun. It is currently anticipated that this overrun will be between £750k and £1m (2.0% and 2.7%).

Section 106 and CIL monies (Appendix D)

10. Details of s106 and CIL income and expenditure can be found at Appendix D.

2014/15 Outturn Update

10. The Provisional Outturn report submitted to Cabinet on 15 June 2015 outlined the draft outturn surplus position of £1.014m, subject to external audit inspection. There has been one material amendment to the provisional outturn since this was reported, which was identified prior to the commencement of the external audit of the accounts. This has been largely offset by the recognition of the Council's share of business rates growth following an updated assessment of the Councils business rate appeals provision at the end of quarter 1. The revised outturn surplus for 2014/15 year is £984k.
11. The amendment to the draft accounts is due to an error with an accrual which resulted in income being recognised in 2014/15, which related to 2015/16. The Council's share of the surplus business rates income has now been brought into the Accounts following a further assessment of the Appeals Provision at the end of June 2015.
12. There are no further changes to the outturn anticipated following the audit of the accounts. The final statement of accounts is due to be considered by the Audit committee on 24 September 2015.

Sustainable Community Strategy / Council Priorities - Implications

13. This report supports delivery of all the Council's Priorities.

Background Papers

Held in Financial Services.