

Agenda Item 6
Report RPC26/13

Report to	Resources and Performance Committee
Date	19 November 2013
By	Chief Finance Officer
Title of Report	Budget Monitoring Report for Quarter 2, 2013/14
Purpose of Report	To advise the Committee of the overall financial position of the Authority for 2013/14 as at Quarter 2

Recommendation: The Committee is recommended to note the overall financial position as at Quarter 2.

1. Introduction

- 1.1 This report sets out the Authority's current financial position as at the second quarter of operation in 2013/14. This report includes the Revenue Forecast, Treasury Management position and Capital Programme.

2. Background

- 2.1 The Authority approved the revenue budget for 2013/14 on 19 March 2013. The adjusted budget shown in the report reflects the original budget approved by the Authority plus any virements during the financial year. It therefore includes new budgets for the carry forward underspend for specific projects from 2012/13, totalling £943,550, as approved at Resources & Performance Committee on 20 June 2013, and also the carry forward underspend of the Sustainable Communities Fund (£290,547).
- 2.2 The Treasury Management Policy Statement and Annual Investment Strategy which was adopted by the Authority on 19 March 2013 sets out the policy and principles used to manage the Authority's investments.
- 2.3 The capital programme for 2013/14 consists of two schemes: the refurbishment of the South Downs Centre, and the purchase of Vehicles.

3 Revenue Forecast Outturn

- 3.1 The forecast outturn position as at Quarter 2 is a net overspend of £56,000, representing 0.4% of the gross expenditure budget. SMT monitor the overall financial position on a monthly basis and will identify savings or underspendings in the future to ensure the final outturn position does not result in an overspend. Detailed information is found in the following Appendices:
- **Appendix 1** - Forecast by expenditure type
 - **Appendix 2** - Service area forecast
 - **Appendix 3** - Corporate plan forecast. Analysis of spend compared to objectives set out in the Corporate Plan.
 - **Appendix 4** - Treasury Management performance compared to benchmarks.

The significant variations are detailed below:

Expenditure

- 3.2 The employee budget is forecast to underspend by £32,000 because some posts are currently vacant. This includes planning policy posts and a planning systems supervisor post of which one is currently being advertised and the other has new been recruited.

- 3.3 As a consequence of the delay in moving to the South Downs Centre, premises costs are forecast to underspend by a net £60,000 from savings in cleaning, business rates and utilities charges partly offset by additional rents for leased properties.
- 3.4 Supplies and services budgets are projecting a net overspend of £198,000 from the following significant variances:
- An agreed overspend of £68,000 in relation to consultancy to provide ongoing support to the Planning Service until mid June 2014
 - The Idox project is forecast to overspend by £25,000 for consultancy, £36,000 for scanning and £15,000 for additional costs for development and training. These additional costs have been partially offset by the existence of a key vacancy
 - The GIS contract is forecast to overspend by £46,000 from one off set up costs resulting from the award of the 3 year contract to new suppliers. The annual contract fees can be funded from within the existing budget
 - Improved cashflow forecasting for Collabor8 has identified additional costs of £48,000 in the current year which will be more than offset by £80,000 of additional income included in the Other Grants income forecast in respect of the final payment for this project.

These overspends are partly offset by underspends of £20,000 on computer lines and £10,000 on internet costs where costs are estimated to be lower than the original budget, together with £20,000 on projects carried forward from 2012/13 where the work has been undertaken in house or at a cost lower than anticipated. Further details are given in **Appendix I.**

Capital Programme

- 3.5 The capital programme consists of two schemes: the refurbishment of the South Downs Centre, and the purchase of vehicles. The forecast outturn as at Quarter 1 is detailed in the table below.

Schemes	Adjusted Budget £'000	Actual To Date £'000	Forecast Outturn £'000	Variance To Budget £'000
South Downs Centre	2,835	152	2,835	0
Vehicles	192	114	192	0
Total Capital	3,027	266	3,027	0

- 3.6 The works programme for the South Downs Centre has now been finalised and the works are anticipated to be completed by the end of the financial year.
- 3.7 The vehicles forecast includes an additional £15,631 for the purchase of a replacement vehicle following the write off of a Nissan Narvara. This will be funded from the insurance payment topped up by the earmarked vehicles reserve.

4 Resources

- 4.1 This report details the position of the Authority's financial resources.

5 Risk Management

- 5.1 The monthly monitoring of the Authority's financial position seeks to minimise and manage financial risks. It is essential that all budgets are monitored closely to ensure that the year end figures can be predicted with certainty. The process for sound budget management is now established within the Authority with budget management reports to the Strategic Management Team on a monthly basis as well as continuous budget monitoring by all budget managers supported by finance staff. The forecast is currently showing a small overspend

which SMT will keep under review. Should the forecast continue to produce an overspend, SMT will identify underspends to bring the outturn back to breakeven.

6 Human Rights, Equalities, Health and Safety

6.1 There are no implications arising from this report.

7 Sustainability Implications

7.1 There are no implications arising from this report.

8 External Consultees

8.1 None.

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Appendices	<ol style="list-style-type: none">1. Forecast by expenditure type2. Service area forecast3. Corporate plan forecast4. Treasury Management performance
SDNPA Consultees	Chief Executive Officer, SMT, Monitoring Officer.

REVENUE BUDGET MONITORING 2013/14, AS AT QUARTER 2 BY EXPENDITURE TYPE

Variance Quarter 1 £'000		Original Budget £'000	Budget Virements £'000	Adjusted Budget £'000	Actual To Date £'000	Forecast Outturn £'000	Variance To Budget £'000
	EXPENDITURE:						
(50)	Direct Employees	4,541	31	4,572	2,222	4,540	(32)
0	Indirect Employees	213	2	215	49	197	(18)
(72)	Premises	436	13	449	159	389	(60)
2	Transport	241	1	242	87	247	5
123	Supplies & Services	3,268	1,668	4,936	1,267	5,134	198
0	Third Party Payments	3,608	161	3,769	219	3,788	19
3	Total Expenditure	12,307	1,876	14,183	4,003	14,295	112
	INCOME:						
0	National Park Grant	(10,589)	0	(10,589)	(7,948)	(10,589)	0
0	Other Grants	(717)	(407)	(1,124)	(147)	(1,198)	(74)
0	Planning Fees	(971)	0	(971)	(392)	(971)	0
18	Other Income	(18)	(12)	(30)	(17)	(12)	18
0	Investment Income	(30)	0	(30)	(22)	(30)	0
18	Total Income	(12,325)	(419)	(12,744)	(8,526)	(12,800)	(56)
21	Net Budget	(18)	1,457	1,439	(4,523)	1,495	56
	Contribution from Reserves	0	(1,439)	(1,439)	0	(1,439)	0
21	Grand Total	(18)	18	0	(4,523)	56	56

REVENUE BUDGET MONITORING 2013/14, AS AT QUARTER 2 BY SERVICE AREA

Service Area	Original Budget £'000	Budget Virements £'000	Adjusted Budget £'000	Actual To Date £'000	Forecast Outturn £'000	Variance To Budget £'000	Reason for Material Variance
Corporate Services	656	0	656	194	665	9	Salaries
Chief Executives Service	189	4	193	96	195	2	
Human Resources	262	0	262	105	253	(9)	Staff Training
Property Services	735	89	824	324	782	(42)	South Downs Centre
IT Services	720	69	789	230	783	(6)	Salaries
Member Services	252	0	252	136	250	(2)	
Planning & Information System	382	63	445	360	631	186	Idox, Gis & Consultancy
Planning Development Mgmt	2,635	0	2,635	54	2,660	25	Professional fees
Planning Policy	779	233	1,012	245	987	(25)	Salaries
Planning Minerals & Waste	209	15	224	59	216	(8)	Professional Fees
Evidence	336	66	402	109	412	10	
Sustainable Comms Fund	403	341	744	172	730	(14)	Salaries
Strategy	120	0	120	56	117	(3)	
Communications	542	138	680	256	679	(1)	
Mgt Plan & Key Initiatives	695	108	803	313	783	(20)	Projects
Access Land and S.Downs Way	109	37	146	80	145	(1)	
Volunteer Management	119	5	124	41	120	(4)	
Heathland Project	72	0	72	47	72	0	Salaries
Ranger Service	1,114	43	1,157	424	1,153	(4)	Mileage
Major Projects	260	228	488	124	451	(37)	Collabor8
NET BUDGET	10,589	1,439	12,028	3425	12,084	56	
Defra Grant	(10,589)	0	(10,589)	(7948)	(10,589)	0	
Contribution from Reserves	0	(1,439)	(1,439)	0	(1,439)	0	
GRAND TOTAL	0	0	0	(4523)	56	56	

Budget Virements Include:

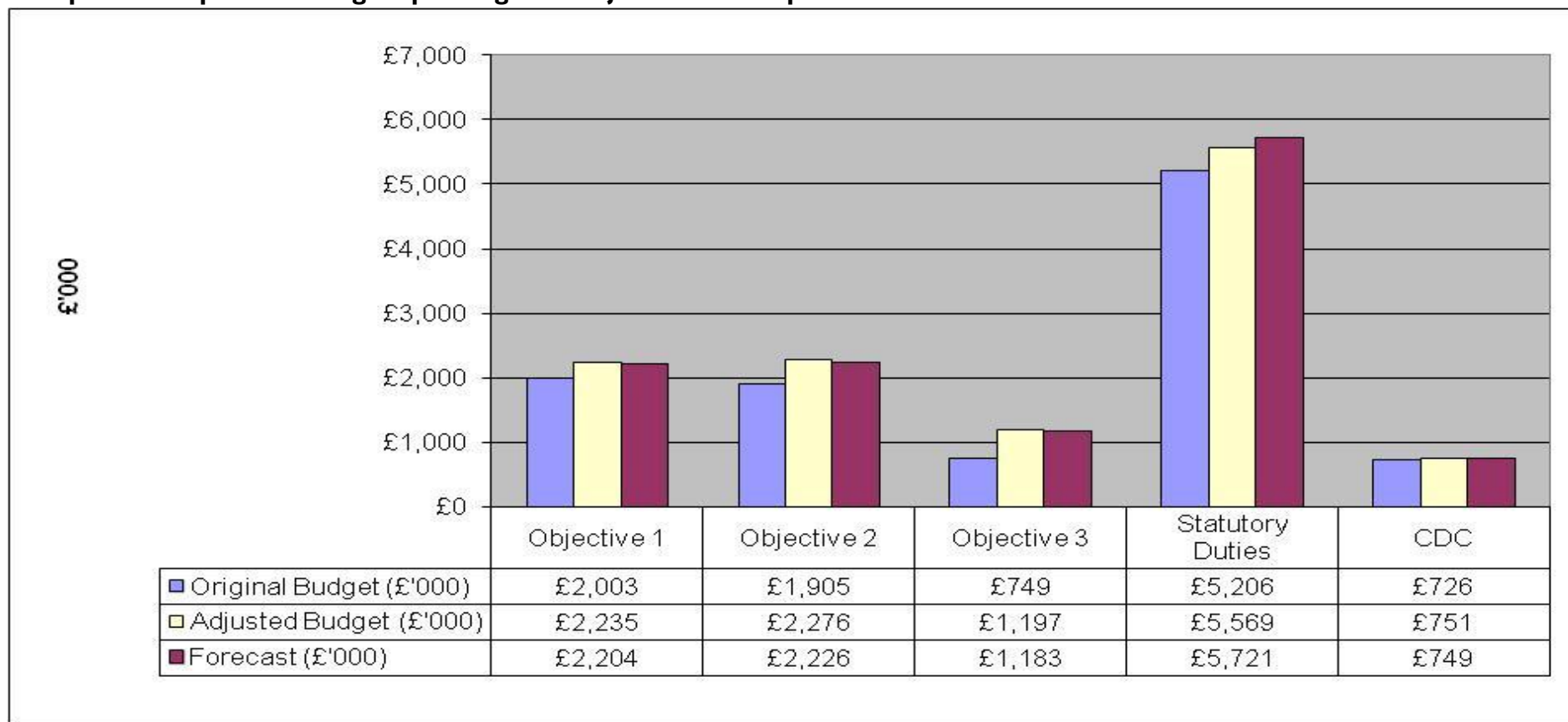
1. Carry forward of allocated Major Projects budgets from 2012/13 of £84,000 (LIDAR, NIA, PAWS, LSTF). Please note that the balance of the unallocated Major Projects funding from previous years is held in earmarked reserves.
2. Carry forward of 2012/13 underspend of £943,550.
3. Carry forward of SCF fund from 2012/13 of £290,547.
4. Short Term Budgets for Heritage Coast Initiative, Rother Valley Schools and Weald & Downland funded from the Major Projects Fund Reserves totalling £74,000.

The following table provides a breakdown of the projects within the Major Projects service area:

Service Area	Original Budget £'000	Budget Virements £'000	Adjusted Budget £'000	Actual To Date £'000	Forecast Outturn £'000	Variance To Budget £'000	Reason for Material Variance
Major Projects Fund	(2)	2	0	0	0	0	
Learning thru Landscapes	66	0	66	18	66	0	
In the High Woods (LIDAR)	23	9	32	0	31	(1)	
Nature Improvement Areas	50	17	67	(4)	67	0	
PAWS Woodfuel initiative	33	18	51	6	48	(3)	
Alice Holt (Forest Enterprise)	40	0	40	0	40	0	
LSTF	50	50	100	60	100	0	
Heritage Coast Initiative	0	45	45	0	45	0	
Water Vole Project	0	0	0	(10)	0	0	
Rother Valley Schools	0	21	21	21	21	0	
Weald & Downland	0	8	8	0	8	0	
Fieldfare Leader Project	0	2	2	0	2	0	
Milland Stores & Café	0	6	6	0	6	0	
Linking Communities	0	50	50	0	50	0	
Collabor8	0	0	0	33	(33)	(33)	
NET BUDGET	260	228	488	124	451	(37)	

REVENUE BUDGET MONITORING 2013/14, AS AT QUARTER 2 BY CORPORATE PLAN ANALYSIS

Comparison of planned budget spend against objectives in Corporate Plan and forecast outturn.



* CDC = Corporate Democratic Core

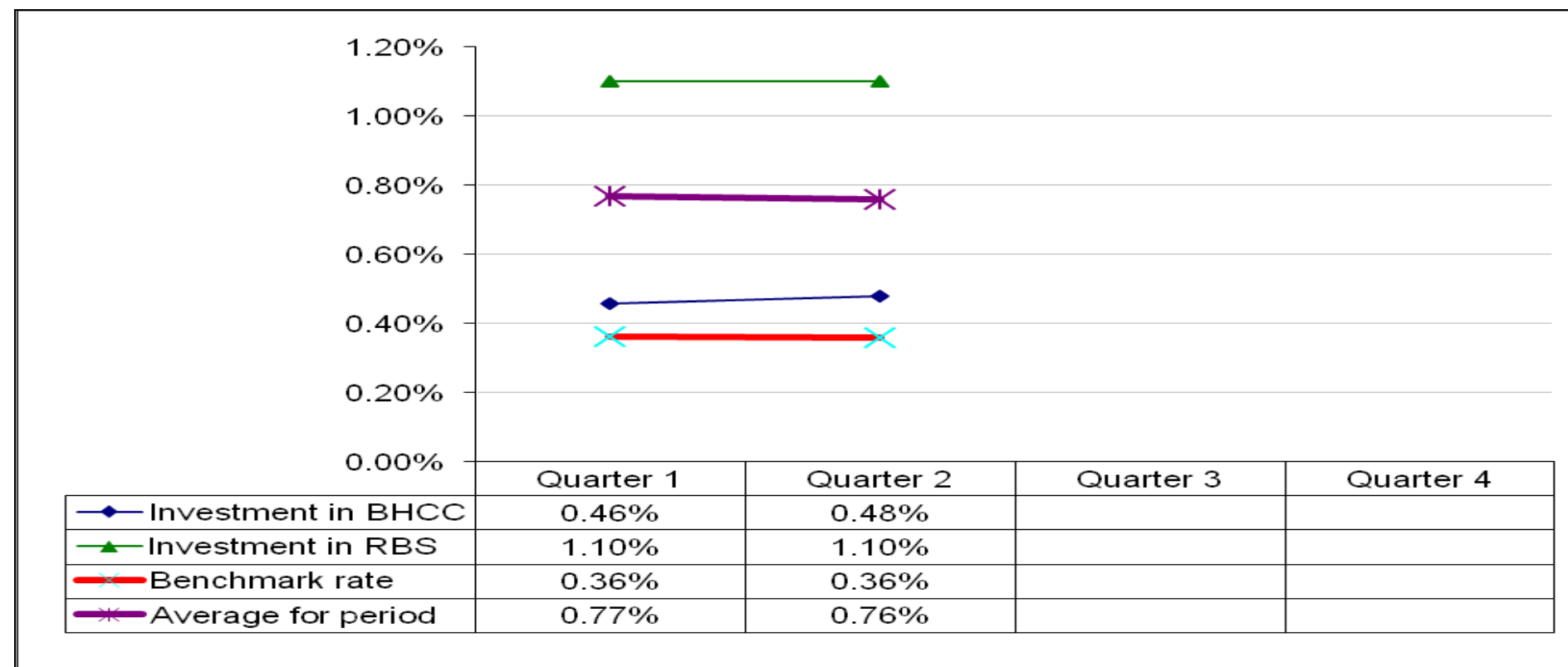
Objective 1: Living Landscapes - Support the development of the South Downs National Park as a special, thriving living and working landscape.

Objective 2: People and Places - Provide opportunities for people within and outside the South Downs National Park to connect to its unique and special places.

Objective 3: Sustainable Future - Encourage sustainable actions by businesses, communities and individuals across the National Park, and manage our own corporate Impact.

TREASURY MANAGEMENT 2013/14, AS AT QUARTER 2

Average Interest rate achieved on Investments compared to Benchmark (7-Day LIBID)



Average amount invested (weighted by amount per day)

