

North East Derbyshire District Council

Cabinet

27 August 2014

Budget Monitoring Report, Quarter 1 – April – June 2014
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**Report No: PRK/24/14/BM of Councillor P R Kerry, Portfolio Holder with
Responsibility for Economy, Finance and Regeneration**

This report is public

Purpose of the Report

- To update Cabinet on the financial position of the Council following the first quarter's budget monitoring exercise for the General Fund, the Housing Revenue Account, Capital Programme and Treasury management activity.

1 Report Details

- 1.1 Officers have continued the integrated approach to budget monitoring in the first quarter with Performance, Risk and Finance being considered together at Directorate meetings held during July 2014. The scope of this report is therefore to report the current financial position following the 2014/15 quarter one monitoring exercise. Separate reports which appear elsewhere on this agenda cover the issue of Performance and Risk.

General Fund Revenue Account

- 1.2 The General Fund Revenue Account summary is shown as **Appendix 1**. The appendix identifies that the original savings target for the financial year 2014/15 was £0.371m (column 1).
- 1.3 Various carry forwards were agreed at Cabinet in July which have been reflected in the current budget. These changes are summarised by Directorate in the Current Budget column (column 2) of the appendix. The Current Budget now shows that the position for the savings target for 2014/15 now stands at £0.381m. It should be noted that the Current Budget does not yet include any of the budget savings that can be taken from the 2013/14 Financial Outturn position.
- 1.4 The budget monitoring undertaken in the first quarter is monitored against the Current Budget and is reported in Appendix 1. A comparison of the profiled budget (column 3) against the actual expenditure to date (column 4) at the Net Cost of Services line shows an under spend at the end of the first quarter of £0.167m. The

individual monitoring meetings have not identified any significant budget issues to report at this stage and the summary shows that the Council is spending below its profiled budget at the end of the first quarter. While savings to date are below the profiled budget Officers are of the view that the Council should be in a position to balance its budget by the year end.

Housing Revenue Account (HRA)

- 1.5 The Housing Revenue Account in respect of the first quarter of 2014/15 is set out in **Appendix 2** to this report.
- 1.6 There are no significant income or expenditure variances within the HRA to report at the end of the first quarter.

Capital Investment Programme Capital Expenditure

- 1.7 The first quarter monitoring position in respect of the Capital Programme is provided in **Appendix 3** to this report. The programme has been updated with the capital budgets carried forward from 2013/14. In total the approved capital programme for 2014/15 now stands at £37.262m (column 1 plus 2).
- 1.8 In headline terms the capital programme profiled budget for quarter 1 is £9.189m and actual spend and known commitments total £6.625m, which is £2.564m below budget. The main area of under spend at this stage in the financial year relates to the Decent Homes programme, however, discussions with officers at Rykneld Homes confirm they are comfortable with the progress to date and are confident that they are in a position to ensure the full delivery of the planned work for the year. Accordingly there are no significant issues to report regarding Capital Expenditure at the end of the first quarter.

Capital Resources

- 1.9 The Council has sufficient capital resources in place to finance the actual expenditure and commitments of the capital programme at the end of the first quarter. In particular it should be noted that officers are confident that the required level of capital receipts will be in place to enable the Programme to be funded at the year end. Officers will continue to work to generate capital receipts in order to secure the funding for the capital programme in future financial years.

Treasury Management

- 1.10 The treasury management function covers the borrowing and investment of Council money. This includes both the management of the Council's day to day cash position and the management of its long term debt. All transactions are conducted in accordance with the Council's approved strategy and the CIPFA Code of Practice. Good treasury management plays an important role in the sound financial management of the Council's resources.
- 1.11 The Council approved the 2013/14 Treasury Management Strategy at its meeting in March 2014. **Appendix 4** identifies the Treasury Management activity undertaken during the first quarter of 2014/15.

2 Conclusions and Reasons for Recommendation

- 2.1 The report summarises the financial position of the Council following the first quarter's budget monitoring exercise for the General Fund, the Housing Revenue Account, Capital Programme and Treasury management activity.

3 Consultation and Equality Impact

- 3.1 There are no consultation and equality impact implications from this report.

4 Alternative Options and Reasons for Rejection

- 4.1 This report is concerned with monitoring the position against the Council's previously approved budget. Accordingly the report does not set out any options where a decision is required by Members.

5 Implications

5.1 Finance and Risk Implications

Financial issues and implications are covered in the relevant sections throughout this report. In summary these are:

General Fund

The monitoring position shows a net under spend position in the first quarter of £0.168m and officers are of the view that further work will secure the full level of financial savings required in respect of 2014/15.

HRA

There are no significant income or expenditure variances within the HRA to report at the end of the first quarter.

Capital Expenditure

There are no significant areas of concern to report regarding the Capital Programme in the first quarter of 2014/15.

Capital Income

The Council has sufficient capital resources in place to finance the actual expenditure and commitments of the capital programme at the end of the first quarter.

Treasury Management

There are no significant areas of concern to report regarding Treasury Management activities in the first quarter of 2014/15.

5.2 Legal Implications including Data Protection

There are no legal issues arising directly from this report.

5.3 Human Resources Implications

There are no human resource implications arising directly out of this report.

6 Recommendations

- 6.1 That Cabinet notes the monitoring position of the General Fund at the end of the first quarter as detailed on **Appendix 1** and requests Officers to continue with work designed to deliver the targeted level of savings in respect of 2014/15.
- 6.2 That Cabinet notes the satisfactory position on the Housing Revenue Account (HRA), the Capital Programme and Treasury Management at the end of the first quarter.

7 Decision Information

Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
District Wards Affected	All
Links to Corporate Plan priorities or Policy Framework	Customer Focussed Services – Providing Excellent customer focussed services. Strategic Organisational Development – Continually improving our organisation

8 Document Information

Appendix No	Title
1	General Fund
2	HRA – Monitoring
3	Capital
4	Treasury Management
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
Assistant Director – Finance	7658