

ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	EXECUTIVE COMMITTEE
DATE:	8 SEPTEMBER 2014
SUBJECT:	BUDGET MONITORING QUARTER 1 REPORT
PORTFOLIO HOLDER(S):	COUNCILLOR H E JONES
HEAD OF SERVICE:	RICHARD MICKLEWRIGHT
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LOCAL MEMBERS:	n/a

A - Recommendation/s and reason/s	
<p>This report outlines the position on the Council's revenue spending for the first quarter of 2014/15 together with a projected position for the year as a whole.</p> <p>It is recommended that :-</p> <ul style="list-style-type: none"> (i) the position set out in respect of financial performance to date; (ii) the projected year end deficit; (iii) actions being taken to address this; <p>be noted and monitored.</p>	
B - What other options did you consider and why did you reject them and/or opt for this option?	
n/a	
C - Why is this a decision for the Executive?	
<p>In February 2014 the Council set a net budget with a net services expenditure of £126m.</p> <p>This report sets out the financial performance of the Council's Services for the first three months over the financial year and the projected position for the year as a whole, identifying the overall position and the sources of the main variances.</p> <p>The overall projected financial position is a £652k overspend, explanations for the significant variances are included within the report.</p> <p>The budget for 2014/15 included required savings of £6.26m. These have been incorporated into the individual Service budgets and achievement or non-achievement of these is reflected in the net under/overspends shown.</p> <p>Together these present the overall position in the Management of the Council Fund for the year to date.</p>	
CH - Is this decision consistent with policy approved by the full Council?	
Yes.	
D - Is this decision within the budget approved by the Council?	
<p>1. <u>General Balance – Opening Position – Planned Contribution in 2014/15</u></p> <p>As reported to the Executive at its meeting on the 9th June 2014, the provisional out-turn position for 2013/14 was significantly better than expected; so that the general balance at the start of the current financial year stood at just over £6m. (This figure remains provisional until the Statement of Accounts for 2013/14 is approved later this month. No variation to it has been identified during the progress of the annual audit to date).</p>	

2. Quarter 1 – Financial Performance by Service

Detail of financial performance by service for the first three months of the year, and the projected out-turn position for each is set out in Appendix A. The overall forecast is for a net overspend on the services of £652k. A summary identifying the main variances is shown below.

Summary Projected Variance at 31/03/15 based on Quarter 1 Financial Information	
	Under/ Overspend £000
Central Education	- 35
Social Care	- 339
Leisure & Culture	+ 75
Highways	+ 156
Planning & Public Protection	+ 184
Finance	+ 482
Other	+ 129

3. Explanation of Significant Variances

Central Education - £35k underspend

The underspend is due to a number of reasons, the main underspend is due to expected extra Capacity in the Out of County and home tuition provision. This area is demand led and it is possible that the underspend could significantly reduce by year end.

Social Care - £339k underspend

The projected underspend is due to Services for the Elderly £363k, however, this is a volatile area and is subject to changes in the coming months. Work is being undertaken to improve the projections in this area. Children and Young People's projected underspend of £3.8k. There is currently the expectation that Mental Health, will overspend, however, this is a demand led Service which has a range of complex and expensive clients. Officers are currently developing plans to identify the savings identified and reduce any financial pressure on the Service. Progress towards these will be monitored closely on a monthly basis and progress reported in Quarter 2 financial monitoring report.

Highways Projected Overspend £156k

The overspend is due to the budgeted income for car parks, maintenance management and street works income not being achieved. These, again, are demand led budgets and are subject to change during the financial year.

Planning & Public Protection Projected £184k Overspend

The overspend is mainly due to budgeted income not being achieved in Quarter one, however, it is possible that the budget income will be achieved by the end of the financial year.

Finance Projected £482k Overspend

The overspend is due to the additional resources employed by the Resources Function.

Benefits Granted £130k Overspend

As from April 2013, Council Tax Benefit was replaced by the localised Council Tax Reduction Scheme. Up to April 2013, the recovery of Council Tax Benefits from the Department for Work & Pensions (DWP) was more or less 100% of the benefits expenditure. From April 2013, the Council was allocated a fixed grant based on the average case load over 3 years.

It is possible that the benefit claims could either increase or decrease by the financial year end and is difficult to predict, as this will depend upon the future social and economic environment, demography, migration and the prospects of employment within Anglesey, at present the current expectation is an overspend of £130k.

Other net under or overspends - £129k

This relates to the range of services for which the projected variance for the year is not shown in highlight in Appendix A.

DD - Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	
2	Finance / Section 151 (mandatory)	
3	Legal / Monitoring Officer (mandatory)	
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	
E - Risks and any mitigation (if relevant)		
1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	
F - Appendices:		
Appendix A - Financial Performance by service and the projected out-turn position.		
FF - Background papers (please contact the author of the Report for any further information):		

APPENDIX A

Financial Performance by service and the projected out-turn position.

Directorate	Actual & Commitments Qtr 1 2014 £'000	Profiled Budget Qtr 1 2014 £'000	Variance Qtr 1 £'000	Projected Outturn Expenditure £'000	Budget For Year £'000	Projected Variance for Year £'000
Lifelong Learning						
Delegated Schools Budget	10,249	10,249	0	43,559	43,559	0
Central Education	1,564	1,593	-29	7,388	7,423	-35
	11,813	11,842	-29	50,947	50,982	-35
Communities			0			
Social Care	7,074	7,160	-86	29,377	29,716	-339
Leisure & Culture	710	616	94	4,373	4,298	75
Housing	437	471	-34	1,571	1,571	0
	8,221	8,247	-26	35,321	35,585	-264
Sustainable Development			0			
Economic Development	234	255	-21	1,900	1,487	413
Maritime	71	-6	77	40	395	-355
Fleet	90	-9	99	-55	-55	0
Highways	1,826	2,176	-350	10,076	9,920	156
Planning & Public Protection	303	280	23	2,553	2,737	-184
Property	-53	-18	-35	452	452	0
Rechargeable Works	91	52	39	0	0	0
Directorate Management	14	14	0	57	57	0
Waste	1,853	1,777	76	8,021	7,876	145
	4,429	4,521	-92	23,044	22,869	175

Deputy Chief Executive							
Corporate - Other Services	403	403	0		1,689	1,490	199
Corporate and Democratic Costs	196	238	-42		1,896	1,896	0
Chief Executive Department	322	320	2		1,736	1,592	144
Audit	58	55	3		0	0	0
Finance - Excluding Benefits Granted	881	381	500		483	1	482
Finance - Benefits Granted	2,380	1,915	465		6,047	5,917	130
Benefits and Revenues	272	228	44		915	875	40
Human Resources	305	170	135		20	0	20
ICT	462	439	23		-212	0	-212
Legal and Administration	312	295	17		205	232	-27
Policy	136	131	5		64	64	0
Corporate Finance	3,945	3,945	0		5,116	5,116	0
	9,672	8,520	1,152		17,959	17,183	776
Total	34,135	33,130	1,005		127,271	126,619	652
FUNDED BY							
NNDR					-22,042	-22,042	0
Council Tax					-29,512	-29,512	0
Outcome Agreement Grant					-686	-686	0
Revenue Support Grant					-74,390	-74,390	0
					-126,630	-126,630	0