

Report to Cabinet

Subject: Quarterly Budget Monitoring, Performance Digest & Virement Report

Date: 12 February 2015

Author: Senior Leadership Team

Wards Affected

Borough-wide

Purpose

- To inform Cabinet of the position against Improvement Actions and Performance Indicators in the 2014/2015 Gedling Plan.
- To seek Cabinet approval for changes to targets as set out in Section 2.1.
- To update Cabinet on the likely outturn of the Revenue and Capital Budgets for the 2014/2015 financial year. The budgets include all carried forward amounts from the 2013/2014 financial year.
- To seek Cabinet approval for budget changes outlined in this report.

Key Decision

This is a Key Decision

Background

- 1.1 The Council has made a commitment to closely align budget and performance management. This is in line with accepted good practice.
- 1.2 To deliver this commitment, systems to monitor performance against revenue and capital budgets, improvement activity and performance indicators have been brought together and are now embedded in the way the Council works.
- 1.3 In addition, performance reports now focus more directly on the Council's priorities and offer an "early warning" system of instance where targets may not be secured.

Proposal

2. Quarterly Progress Report

2.1 Performance Information

- 2.1.1 The Council continues to manage its performance using the Covalent Performance Management system.
- 2.1.2 Against the backdrop of a continuing move away from paper based information towards use of more electronic means, and the government's aspiration for local authorities to be more open and transparent, performance information is now accessible publicly on line on the Council's website.
- 2.1.3 As a result, hard copy performance documents are no longer being routinely produced nor attached to Cabinet agendas – they can, however, be accessed at <http://www.gedling.gov.uk/aboutus/howwework/prioritiesplansperformance/performance/>. Hard copies will only be made available to members upon request.
- 2.1.4 For members and the public accessing performance information through this link, the previous criteria for performance assessment continue to apply. Red, amber and green traffic light symbols continue to be used to show progress for both actions and performance indicators. To be assessed as green, performance indicators must be in line with their profiled performance at this stage of the year, while actions must be on target against milestones set out in Covalent to be assessed as “completed” or “assigned; in progress”. Where Cabinet has agreed to an amended target, progress is assessed against that amended target rather than the original target.
- 2.1.5 Pdf reports for both performance indicators and actions continue to be made available on the website, in the previously agreed format. These documents contain explanations of variances and proposed target changes as previously, along with trend arrows for performance indicators (note that an upward arrow indicates improved performance, irrespective of whether improvement is represented by a higher or lower value) and progress bars for actions showing progress made against project milestones. Hard copies of both reports are available in the Members Room for information.
- 2.1.6 Virtually all of the actions in the Council plan are on target for completion (59 of 60), however, 12 of 27 performance indicators are showing as red with one quarter of the year remaining. In some cases, this is a result of increased demand for services (with our own and partners' services) and in other cases it is an indication that budget reductions and reduced staffing levels are having an impact.

2.1.7 A target change is requested for one action.

Portfolio Area	Action	Original Target	Proposed Target	Reason for change
Leisure and Development	Develop a clear strategy for efficiently collecting and applying section 106 and Community Infrastructure Levy	31 Dec 2014	30 Sept 2015	Following Cabinet approval, work now in progress to ensure efficient collection and co-ordination between s106 and Community Infrastructure Levy across the Council. Delay in CIL adoption has had knock on impact on this work.

2.2 Financial Information

2.2.1 Appendices 1 and 2 set out details of the current financial position on the Council's General Fund Revenue Budget and the Capital Programme 2014/15. Appendix 3 gives details of any virements actioned within the quarter.

2.2.2 General Fund Revenue Budget

Appendix 1 outlines how the General Fund Revenue budget is divided between the Portfolio areas of the Council and includes a detailed variance analysis identifying the current proposed changes for the year against the approved budget for each Portfolio area. Cabinet is recommended to approve these changes.

The following table summarises the overall financial position of the General Fund Revenue Budget and the expected total spend for the year. This information has been compiled using the best information made available to Financial Services by the relevant spending officers as at 28 December 2014. The overall resource implication for the Council's General Fund is a predicted under-spend of £1,600.

General Fund Revenue Budget 2014/2015 – Change Analysis

	£
The original 2014/15 budget approved by Council on 3 March 2014	12,979,400
Revenue Carry Forwards from 2013/14 approved under delegation arrangements by the Chief Finance Officer	89,700
Revenue Carry Forwards from 2013/14 approved by Council on 16 July 2014	20,000
The current total approved budget for 2014/2015 and Cabinet's Maximum Budget is:	13,089,100
Up to the end of December 2014 expenditure less income totalled	8,160,228
In the remaining 3 months of year we expect net expenditure less income to be	4,927,272
Total net revenue spend for the year is currently expected to be	13,087,500
Projected Revenue Underspend 2014/15	(1,600)

2.2.3 Capital Programme

Appendix 2 details the current projected position on the Capital Programme and its' financing for 2014/15, analysed by Portfolio, and this is summarised in the table below.

Capital Budget 2014/2015 - Change Analysis

	£
Original 2014/15 budget approved by Council on 3 March 2014	2,902,100
Capital Carry Forwards from 2013/14 approved under delegation arrangements by the Chief Finance Officer	747,900
Capital Carry Forwards from 2013/14 approved by Council on 16 July 2014	301,700
Additional Budget for King George V Skatepark, Portfolio Holder virement decision, funded by WREN Grant.	48,500
Additional Budget for Affordable Housing, Portfolio Holder virement decision, funded by S106.	24,000
Quarter 1 Amendments	310,100
The current total approved budget for 2014/15	4,334,300

Proposed Quarter 3 Amendments to the 2014/15 Programme:

(a) Budget Reductions

Vauxhall Astra Van no longer required due to fleet rationalisation.	(42,000)
VW Caddy no longer required due to fleet rationalisation.	(42,000)

(b) Schemes Identified for Deferral to 2015/16

Relocation of Shopmobility	(150,000)
Carlton Forum Health Suite	(82,600)
CCTV Monitor Room Upgrade	(50,000)
Self Service Kiosk (Reception Alterations)	(8,900)
Gedling Country Park	(150,000)
Various Replacement Vehicles identified for slippage	(126,000)
Asset Management Fund	(100,000)
Total Proposed Amendments To Capital Programme	(751,500)

Proposed Revised Capital Programme 2014/15	3,582,800
Actual Expenditure to Quarter 3 2014/15	1,585,159
Estimated Expenditure Quarter 4 2014/15	1,997,641
Projected Outturn 2014/15	3,582,800
Projected Capital Programme Variance 2014/15	0

There is currently sufficient funding available in 2014/2015 to finance the Capital Programme as outlined above.

Alternative Options

- 3 Option – Not to amend the original Council approved budgets during the year to reflect the latest projected outturn position.

Advantages:

- The final outturn position of the Council can be easily compared to its original intentions when the budget was set and areas of budget risk identified.

Disadvantages:

- Budgets not aligned to current budget pressures resulting in increased likelihood of budget overspend and emerging Council priorities not being addressed.
- Restrict the effectiveness of medium term planning process and preparation of the forward budget if pressures and areas of efficiency are not readily identifiable during budget preparation.
- Budget not reflective of latest performance information.

Reason for rejection – not likely to result in the best outcomes in financial management or support delivery of priorities.

Financial Implications

- 4 The nature of the report is such that it has significant resource implications across the Council. The report itself demonstrates how resources are being managed.

Appendices

- 5 Appendix 1 – General Fund Revenue Budget 2014/15 – Budgetary Control Report
Appendix 2 - Capital Programme 2014/15 – Budgetary Control Report
Appendix 3 – Virements approved by Portfolio Holders

Background Papers

- 6 Detailed Quarterly Budgetary Control Exception Reports

Recommendation

- 7 Members are **recommended**:
- a) *To approve the changes to the Indicator Action target as detailed in paragraph 2.1 of the report, as an amendment to the agreed Gedling Plan;*
 - b) To approve the General Fund Revenue Budget virements included within Appendix 1;
 - c) To approve the changes to the Capital Programme included in paragraph 2.2.3;
 - d) To include details of budget and performance monitoring in a quarterly performance digest, to be published on the Council's website and Intranet in line with the recommendations of Performance Review Scrutiny Committee.

Reasons for Recommendations

- 8 To align the budgets to the current pressures and priorities and ensure the delivery of Council objectives is supported.