

## **Report for Information**

|                  |   |             |
|------------------|---|-------------|
| <b>Report to</b> | Mousehold Heath Conservators<br>15 March 2013         | <b>Item</b> |
| <b>Report of</b> | Head of Finance                                       | <b>5</b>    |
| <b>Subject</b>   | Budget Monitoring Statement April 2012 – January 2013 |             |

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### **Purpose**

To provide the Conservators with a budget monitoring position for the Mousehold Heath Conservators revenue budget 2012-13 and capital position.

### **Recommendations**

That the Conservators note the current budget monitoring position

### **Financial Consequences**

This report states the budgetary position for Mousehold Heath and as such there are no additional financial consequences to this report for 2012/13.

### **Strategic Objective/Service Priorities**

The report helps to achieve the corporate objective to achieve strong financial management and stability, together with the service plan priority to improve Budget Preparation, Balancing and Monitoring to provide members (and officers) with relevant accurate and timely financial information to assist them in formulating policy and allocating resources, and to enable the Head of Finance to exercise the additional statutory responsibilities contained in the Local Government Act 2003, i.e. to advise on the robustness of estimates and adequacy of reserves, and to monitor performance against budget.

### **Contact Officers**

Mark Smith, Finance Control Manager

01603 212561

### **Background Documents**

Working papers

## Report

1. The Conservators have requested that budget reports be brought to their meetings on a regular basis. Budget monitoring is undertaken at the end of each month and Appendix A details the financial position for Mousehold Heath as at the end of December 2012, and comparison of the expected out turn to the annual budget. Where appropriate, explanations for variances are given in paragraph 2 below.
2. The letters preceding the explanation below cross reference with the corresponding letter in the comments column of Appendix A.
  - A. The salary forecast outturn is for a £5k overspend, based on actual spend to date. This is due to unexpectedly high pension contribution costs due to a member of staff having opted to join the scheme, which was not anticipated in the budget.
  - B. Coding of expenditure does not seem to be entirely in line with budgets. Costs to date may not accurately reflect the work programme, and therefore the forecast outturn may be less accurate than would be ideal. The reported forecast outturn is an overspend of £14k, though management action may be able to reduce this, as set out in paragraphs 5 and 6 below.
  - C. The actual (credit) expenditure represents the carry-forward of the balance from the 2011/12 account of the cumulative underspend against the Conservators' precept and budget.
  - D. Support service costs and other recharges will be processed later in the year. The forecast outturn reflects an expectation that recharges will match budgets, which have been revised to reflect anticipated savings arising from the council's decision to terminate the previous IT contract and enter into a shared services arrangement with LGSS.
4. Overall the budget shows an overspend of £24,016. Discounting the £14,639 agreed by Conservators to be the use of balances in the year, the underlying position is a forecast budget overspend of £9,377.
5. A report was presented to the January meeting of Conservators, seeking endorsement of the annual work programme. This indicated that the work programme for 2013-14 attempted to be more informative, estimates for works more accurate and any variation from these costs would require approval from the Conservators. The budget and work programme also incorporated a level of contingency.
6. This approach will continue to see improvements in budgetary management and not withstanding any major event resulting in increased budgetary requirement, e.g. storm damage, it is anticipated that spend will be closer to budget during 2013-14.

7. The impact of the precept and forecast 2012-13 budget monitoring position (adjusted to neutralise the impact of accounting adjustments) on the Mousehold Heath balances is as follows:

|   |            |
|---|------------|
| Balance brought forward from 2011-12              | - £40,085  |
| Precept 2012-13                                   | - £181,095 |
| Forecast Outturn 2012-13                          | £205,408   |
| Less: Accounting Items AIS19 and Depreciation     | - £3,250   |
| Forecast balance to be carried forward to 2013/14 | -£19,022   |

8. The position on capital is as follows::

|  |            |
|--|------------|
| Rangers House receipt                  | - £182,000 |
| Changing Rooms spend 2011-12           | £47,318    |
| Changing Rooms spend 2012-13 (to date) | £68        |
| Balance of receipts                    | - £134,613 |

## Budget Monitoring Report

Year: 2012/13

Period 10 (Jan 2013)

| <b>421020 Mousehold Heath Conservators</b> |                       | <b>Neighbourhood Services</b>             |                       |                         |                         |                          |                 |
|--|-----------------------|---|-----------------------|-------------------------|-------------------------|--------------------------|-----------------|
| <i>Approved Budget</i>                     | <i>Current Budget</i> | <i>Budget To Date</i>                     | <i>Actual To Date</i> | <i>Variance To Date</i> | <i>Forecast Outturn</i> | <i>Forecast Variance</i> | <i>Note</i>     |
| <b>EXPENDITURE</b>                         |                       |   |                       |                         |                         |                          |                 |
| <b>Employees</b>                           |                       |   |                       |                         |                         |                          |                 |
| 61,943                                     | 61,943                | 1405 Salaries Full Time                   | 51,620                | 49,829                  | -1,791                  | 59,795                   | -2,148          |
| 3,438                                      | 3,438                 | 1406 Salaries Employer PF Contrib'ns      | 2,870                 | 6,354                   | 3,484                   | 7,625                    | 4,187           |
| 1,990                                      | 1,990                 | 1939 Pension Deficit Recovery             | 1,660                 | 3,986                   | 2,326                   | 4,783                    | 2,793           |
| 374  | 374                   | 1990 Employee/Public Liab. Insurance      | 0                     | 0                       | 0                       | 374                      | 0               |
| <b>67,745</b>                              | <b>67,745</b>         | <b>Subtotal Employees</b>                 | <b>56,150</b>         | <b>60,169</b>           | <b>4,019</b>            | <b>72,577</b>            | <b>4,832</b> A  |
| <b>Premises</b>                            |                       |   |                       |                         |                         |                          |                 |
| 4,523                                      | 4,523                 | 2100 General Repairs & Maintenance        | 3,770                 | 139                     | -3,631                  | 167                      | -4,356          |
| 0  | 0                     | N100 Specified Works (ES/Prop Grp)        | 0                     | 3,202                   | 3,202                   | 0                        | -2,000          |
| 14,000                                     | 14,000                | R100 Day to Day Reps (ES/Prop Grp)        | 11,670                | 4,471                   | -7,199                  | 14,000                   | 0               |
| 0  | 0                     | T100 Day to Day Repairs (Tenants)         | 0                     | 16,308                  | 16,308                  | 19,570                   | 19,570          |
| 2,000                                      | 2,000                 | 2600 Grounds General Mtce & Upkeep        | 1,670                 | 0                       | -1,670                  | 0                        | -2,000          |
| 72,054                                     | 72,054                | 2651 Grounds Maintenance contract         | 60,050                | 67,722                  | 7,672                   | 67,000                   | -5,054          |
| 0  | 0                     | 2653 Schedule of Rates/Dayworks           | 0                     | 6,110                   | 6,110                   | 7,332                    | 7,332           |
| 4,497                                      | 4,497                 | 2655 Treeworks                            | 3,750                 | 5,604                   | 1,854                   | 6,725                    | 2,228           |
| 598  | 598                   | 2810 Electricity                          | 500                   | 177                     | -323                    | 213                      | -385            |
| 750  | 750                   | 2850 Water Charges Unmetered              | 630                   | 23                      | -607                    | 27                       | -723            |
| 750  | 750                   | 2853 Sewerage Charge Metered              | 630                   | 0                       | -630                    | 0                        | -750            |
| 6,850                                      | 6,850                 | 2875 Contract Cleaning                    | 5,710                 | 4,318                   | -1,392                  | 5,182                    | -1,668          |
| <b>106,022</b>                             | <b>106,022</b>        | <b>Subtotal Premises</b>                  | <b>88,380</b>         | <b>108,074</b>          | <b>19,694</b>           | <b>120,216</b>           | <b>12,194</b> B |
| <b>Transport</b>                           |                       |   |                       |                         |                         |                          |                 |
| 300  | 300                   | 3020 Fuel Petrol                          | 250                   | 0                       | -250                    | 0                        | -300            |
| 960  | 960                   | 3080 Car and Cycle Allowances             | 800                   | 909                     | 109                     | 1,091                    | 131             |
| <b>1,260</b>                               | <b>1,260</b>          | <b>Subtotal Transport</b>                 | <b>1,050</b>          | <b>909</b>              | <b>-141</b>             | <b>1,091</b>             | <b>-169</b>     |
| <b>Supplies &amp; Services</b>             |                       |   |                       |                         |                         |                          |                 |
| 450  | 450                   | 3370 Equipment - Purchase                 | 380                   | 305                     | -75                     | 366                      | -84             |
| 450  | 450                   | 3371 Equipment - Repairs/Maintenance      | 380                   | 304                     | -76                     | 365                      | -85             |
| 290  | 290                   | 3399 Stationery Recharges                 | 240                   | 0                       | -240                    | 0                        | -290            |
| 190  | 190                   | 3550 Clothing and Uniforms General        | 160                   | 158                     | -2                      | 189                      | -1              |
| 300  | 300                   | 3570 DPP Printing Costs                   | 250                   | 169                     | -81                     | 203                      | -97             |
| 100  | 100                   | 3710 Telephones General                   | 80                    | 0                       | -80                     | 0                        | -100            |
| 190  | 190                   | 3715 Mobile Phone Rentals & Calls         | 160                   | 105                     | -55                     | 126                      | -64             |
| 0  | 0                     | 3901 Insurances Other                     | 0                     | 0                       | 0                       | 0                        | 0               |
| 960  | 960                   | 3910 Advertising General                  | 800                   | 918                     | 118                     | 1,101                    | 141             |
| <b>2,930</b>                               | <b>2,930</b>          | <b>Subtotal Supplies &amp; Services</b>   | <b>2,450</b>          | <b>1,959</b>            | <b>-491</b>             | <b>2,350</b>             | <b>-580</b>     |
| <b>Capital Charges</b>                     |                       |   |                       |                         |                         |                          |                 |
| 637  | 3,250                 | 5701 Depreciation (Operational Assets)    | 0                     | 0                       | 0                       | 3,250                    | 0               |
| <b>637</b>                                 | <b>3,250</b>          | <b>Subtotal Capital Charges</b>           | <b>0</b>              | <b>0</b>                | <b>0</b>                | <b>3,250</b>             | <b>0</b>        |
| <b>178,594</b>                             | <b>181,207</b>        | <b>Subtotal EXPENDITURE</b>               | <b>148,030</b>        | <b>171,111</b>          | <b>23,081</b>           | <b>199,484</b>           | <b>16,277</b>   |
| <b>INCOME</b>                              |                       |   |                       |                         |                         |                          |                 |
| <b>Receipts</b>                            |                       |   |                       |                         |                         |                          |                 |
| 0  | 0                     | 7825 Non-Gov't Grants & Cont's: Non-Spec  | 0                     | -2,500                  | -2,500                  | -2,500                   | -2,500          |
| -13,000                                    | -13,000               | 9039 Other Rents                          | -10,830               | -14,200                 | -3,370                  | -17,040                  | -4,040          |
| -1,800                                     | -1,800                | 9132 Catering Concessn Pitch & Putt       | -1,500                | -1,800                  | -300                    | -2,160                   | -360            |
| -14,639                                    | -14,639               | 9722 Contribution to/from Balances        | -12,200               | -40,085                 | -27,885                 | 0                        | 14,639          |
| <b>-29,439</b>                             | <b>-29,439</b>        | <b>Subtotal Receipts</b>                  | <b>-24,530</b>        | <b>-58,585</b>          | <b>-34,055</b>          | <b>-21,700</b>           | <b>7,739</b> C  |
| <b>-29,439</b>                             | <b>-29,439</b>        | <b>Subtotal INCOME</b>                    | <b>-24,530</b>        | <b>-58,585</b>          | <b>-34,055</b>          | <b>-21,700</b>           | <b>7,739</b>    |
| <b>INDIRECT</b>                            |                       |   |                       |                         |                         |                          |                 |
| <b>Recharge Expenditure</b>                |                       |   |                       |                         |                         |                          |                 |
| 3,130                                      | 3,184                 | 1935 CDS Added Years Payments             | 0                     | 0                       | 0                       | 3,184                    | 0               |
| 8,700                                      | 4,283                 | 4040 CDS Norwich Connect Recharge         | 0                     | 0                       | 0                       | 4,283                    | 0               |
| 210  | 0                     | 5021 CDS Legal Services Recharge          | 0                     | 0                       | 0                       | 0                        | 0               |
| 4,630                                      | 4,567                 | 5022 CDS HR Services Recharge             | 0                     | 0                       | 0                       | 4,567                    | 0               |
| 2,400                                      | 3,034                 | 5024 Property Services Recharge           | 2,530                 | 0                       | -2,530                  | 3,034                    | 0               |
| 4,690                                      | 5,474                 | 5026 CDS Finance Services Recharge        | 0                     | 0                       | 0                       | 5,474                    | 0               |
| 6,430                                      | 5,569                 | 5044 CDS Management Support Recharge      | 0                     | 0                       | 0                       | 5,569                    | 0               |
| 1,750                                      | 1,513                 | 5047 CDS Comms + Research Recharge        | 0                     | 0                       | 0                       | 1,513                    | 0               |
| 0  | 0                     | 5097 Recharge from Area Housing Offices   | 0                     | 0                       | 0                       | 0                        | 0               |
| <b>31,940</b>                              | <b>27,624</b>         | <b>Subtotal Recharge Expenditure</b>      | <b>2,530</b>          | <b>0</b>                | <b>-2,530</b>           | <b>27,624</b>            | <b>0</b>        |
| <b>31,940</b>                              | <b>27,624</b>         | <b>Subtotal INDIRECT</b>                  | <b>2,530</b>          | <b>0</b>                | <b>-2,530</b>           | <b>27,624</b>            | <b>0</b>        |
| <b>181,095</b>                             | <b>179,392</b>        | <b>Total Mousehold Heath Conservators</b> | <b>126,030</b>        | <b>112,526</b>          | <b>-13,504</b>          | <b>205,408</b>           | <b>24,016</b>   |