

Report to Mousehold Heath Conservators
17 June 2016
Report of Chief Finance Officer
Subject Provisional Outturn 2015/16

Item
8

Purpose

To advise the Conservators with a provisional revenue and capital outturn position for the Mousehold Heath Conservators budgets 2015/16.

Recommendations

That the Conservators note the provisional revenue and capital outturn positions.

Financial Consequences

This report states the provisional outturn position for Mousehold Heath Conservators, and the financial consequences are analysed within the body of the report.

Strategic Objective/Service Priorities

The report helps to achieve the council's corporate objective to achieve value for money.

Contact Officers

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Background Documents

None

Report

1. Conservators approved a budget for financial year 2015/16 of £214,323 at their meeting of 30 January 2015. This equated to a precept of £211,073.
2. The Conservators have requested that budget reports be brought to their meetings on a regular basis. Appendix A details the provisional revenue outturn for Mousehold Heath as at the end of 2015/16, and comparison of the provisional outturn against the annual budget. Where appropriate, explanations for variances are given in paragraph 3 below.
3. The letters preceding the explanation below cross reference with the corresponding letter in the comments column of Appendix A.
 - A. Premises costs for the period are overspent by £2,490, while the centrally managed repairs budget is underspent by £1,873. This is mainly due to miscoding of payments.
 - B. Depreciation is budgeted for but does not impact on balances, since it is reversed out of the revenue accounts. Impairments and IAS 19 Pension charges are not budgeted for, but again do not impact on balances, since they are reversed out of the revenue accounts.
 - C. The income from the football pitches is £1,811 less than the budgeted figure.
 - D. Support service costs and other recharges are £982 below budget.
4. Overall the budget report shows an underspend of £6,268 against the budget. However, in the calculation of the surplus or deficit attributable to Conservator's balances, the adjustments referred to in note B above need to be applied to the actual expenditure & income of £208k incurred, leaving an overspend against the precept of £647.
5. The revenue surplus/deficit attributable to Conservators' balances can be summarised as:

| Item | 2015/16 £ |
|--------------------------|--------------|
| Net Revenue 2015/16 | 211,747 |
| Less: Precept 2015/16 | (211,073) |
| = Deficit 2015/16 | 647 |

Balances

6. At their meeting of 21 June 2013, the Conservators' opted to take up the council's offer to spread a £28,077 pension deficit charge, incurred as a result of a contractor's failure, over ten years. The Conservators' balance will therefore be reduced by the amount of £2,808 (being the third of ten instalments) in addition to the revenue Deficit.
7. The impact of the revenue surplus and pension costs on the level of balances is

therefore:

| Item | 2015/16 £ |
|---|----------------|
| Balance brought forward from 2014/15 | (7,989) |
| Plus: Revenue Deficit 2015/16 | 647 |
| Less: Pension costs – 4 th of 10 instalments | 2,808 |
| Provisional balance c/f to 2016/17 | (4,534) |

8. This level of balances is below the level of balances anticipated by Conservators when setting the precept for 2016/17 at their meeting of 22nd January 2016. While there are sufficient reserves to fund the pension costs instalment in 2016/17, this is not sustainable in the medium term.
9. Conservators may wish to review the 2016-17 work programme should they wish to reduce spend in the year and contribute to reserves. Conservators will need to consider the pension cost profile when setting the precept for 2017-18. To facilitate this, a separate budget line relating to these costs will be included in future reports.

Capital

10. The position on capital is as follows, with no spend incurred in 2015/16:

| Item | £ |
|---------------------------|------------|
| Rangers House balance b/f | - £100,766 |
| Balance of receipts c/f | - £100,766 |

Summary

11. The Conservators' financial position at the end of the 2015/16 financial year is not inconsistent with the financial planning, budgets, and precept for 2016/17.
12. To maintain this position for the current and future financial years, Conservators will need to continue to keep a firm grasp of income and expenditure and ensure that the level of future precepts takes account of the need to maintain a prudent minimum level of reserves and the future impact of the remaining instalments of the pension deficit costs.

APPENDIX A

Mousehold Heath Conservators 2015/16 Provisional Outturn

| <i>Approved Budget</i> | <i>Current Budget</i> | | <i>Budget To Date</i> | <i>Actual To Date</i> | <i>Variance To Date</i> | |
|------------------------|-----------------------|---|-----------------------|-----------------------|-------------------------|----------|
| | | EXPENDITURE | | | | |
| | | Employees | | | | |
| 64,668 | 64,668 | 1405 Salaries Full Time | 64,668 | 63,925 | -743 | |
| 8,708 | 8,708 | 1406 Salaries Employer PF Contrib'ns | 8,708 | 8,848 | 140 | |
| 4,732 | 4,732 | 1935 Pension Added Years share | 4,732 | 4,749 | 17 | |
| 7,783 | 7,783 | 1939 Pension Deficit Recovery share | 7,783 | 7,783 | 0 | |
| 0 | 0 | 1948 FRS17/IAS 19 Adjustment | 0 | -5,411 | -5,411 | B |
| 505 | 505 | 1990 Employee/Liability Insurance | 505 | 557 | 52 | |
| 86,396 | 86,396 | Subtotal Employees | 86,396 | 80,451 | -5,945 | |
| | | Premises | | | | |
| 4,000 | 4,000 | 2100 General Repairs & Maintenance | 4,000 | 5,190 | 1,190 | |
| 8,772 | 6,000 | 2600 Grounds General Mtce & Upkeep | 6,000 | 8,178 | 2,178 | |
| 65,215 | 71,855 | 2651 Grounds Maintenance contract | 71,855 | 72,434 | 579 | |
| 4,282 | 4,282 | 2655 Treeworks | 4,282 | 4,316 | 34 | |
| 598 | 598 | 2810 Electricity | 598 | 1,172 | 574 | |
| 750 | 750 | 2850 Water Charges Unmetered | 750 | 0 | -750 | |
| 750 | 750 | 2853 Sewerage Charge Metered | 750 | 0 | -750 | |
| 6,816 | 6,816 | 2875 Contract Cleaning | 6,816 | 6,248 | -568 | |
| 14 | 14 | 2900 Fire Insurance Buildings/Conts | 14 | 17 | 3 | |
| 91,197 | 95,065 | Subtotal Premises | 95,065 | 97,555 | 2,490 | A |
| | | Transport | | | | |
| 1,260 | 1,260 | 3080 Car and Cycle Allowances | 1,260 | 805 | -455 | |
| 1,260 | 1,260 | Subtotal Transport | 1,260 | 805 | -455 | |
| | | Supplies & Services | | | | |
| 450 | 450 | 3370 Equipment - Purchase | 450 | 401 | -49 | |
| 450 | 450 | 3371 Equipment - Repairs/Maintenance | 450 | 631 | 181 | |
| 290 | 290 | 3399 Stationery Recharges | 290 | 0 | -290 | |
| 190 | 190 | 3550 Clothing and Uniforms General | 190 | 571 | 381 | |
| 192 | 192 | 3570 DPP Printing Costs | 192 | 0 | -192 | |
| 100 | 100 | 3710 Telephones General | 100 | 0 | -100 | |
| 190 | 190 | 3715 Mobile Phone Rentals & Calls | 190 | 93 | -97 | |
| 960 | 960 | 3910 Advertising General | 960 | 1,343 | 383 | |
| 2,822 | 2,822 | Subtotal Supplies & Services | 2,822 | 3,039 | 217 | |
| | | Capital Financing | | | | |
| 3,250 | 3,250 | 5701 Depreciation | 3,250 | 1,719 | -1,531 | B |
| 3,250 | 3,250 | Subtotal Capital Financing | 3,250 | 1,719 | -1,531 | |
| 184,925 | 188,793 | Subtotal EXPENDITURE | 188,793 | 183,569 | -5,224 | |
| | | INCOME | | | | |
| | | Receipts | | | | |
| -3,000 | -3,000 | 8123 Football | -3,000 | -1,189 | 1,811 | C |
| -13,000 | -13,000 | 9039 Other Rents | -13,000 | -13,000 | 0 | |
| -1,800 | -1,800 | 9132 Catering Concessn Pitch & Putt | -1,800 | -1,800 | 0 | |
| -17,800 | -17,800 | Subtotal Receipts | -17,800 | -15,989 | 1,811 | |

| | | | | | |
|----------------|----------------|---|----------------|----------------|---------------|
| | | Government Grants | | | |
| -2,204 | -2,204 | 7097 Government Grants: Specific | -2,204 | -2,204 | 0 |
| -2,204 | -2,204 | Subtotal Government Grants | -2,204 | -2,204 | 0 |
| -20,004 | -20,004 | Subtotal INCOME | -20,004 | -18,193 | 1,811 |
| | | INDIRECT | | | |
| | | Centrally Managed | | | |
| 0 | 0 | P100 Programmed Maint (ES/Prop Grp) | 0 | 1,718 | 1,718 |
| 14,000 | 14,000 | R100 Day to Day Reps (ES/Prop Grp) | 14,000 | 10,409 | -3,591 |
| 14,000 | 14,000 | Subtotal Centrally Managed | 14,000 | 12,127 | -1,873 |
| | | Recharge Expenditure | | | |
| 8,040 | 4,172 | 4040 CDS IT Services Recharge | 4,172 | 4,249 | 77 |
| 0 | 0 | 5021 CDS Legal Services Recharge | 0 | 117 | 117 |
| 5,161 | 5,161 | 5022 CDS HR Services Recharge | 5,161 | 4,576 | -585 |
| 1,814 | 1,814 | 5024 Property Services Recharge | 1,814 | 904 | -910 |
| 7,075 | 7,075 | 5026 CDS Finance Services Recharge | 7,075 | 5,988 | -1,087 |
| 6,671 | 6,671 | 5044 CDS Management Support | 6,671 | 7,006 | 335 |
| 1,554 | 1,554 | 5047 CDS Comms + Research Recharge | 1,554 | 1,685 | 131 |
| 5,087 | 5,087 | 5097 Recharge from AHOs/One Stop Shops | 5,087 | 6,027 | 940 |
| 35,402 | 31,534 | Subtotal Recharge Expenditure | 31,534 | 30,552 | -982 |
| 49,402 | 45,534 | Subtotal INDIRECT | 45,534 | 42,679 | -2,855 |
| 214,323 | 214,323 | Total Mousehold Heath Conservators | 214,323 | 208,055 | -6,268 |

A

D

Adjustments

| | |
|--|-----------------|
| Total Mousehold Heath Conservators | 208,055 |
| FRS17 | 5,411 |
| Depreciation | -1,719 |
| Net Revenue 2015/2016 | 211,747 |
| Precept | -211,073 |
| Provisional Position at 31st March 16 | 647 |