

Report for Information

Report to Mousehold Heath Conservators
20 June 2014

Item

Report of Chief Finance Officer

7

Subject Provisional Outturn 2013/14

Purpose

To advise the Conservators with a provisional revenue and capital outturn position for the Mousehold Heath Conservators budgets 2013/14.

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 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 council's Chief Finance Officer 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

None

Report

1. The Conservators have requested that budget reports be brought to their meetings on a regular basis. Budget monitoring has been undertaken at the end of each month, and reported to Conservators quarterly.

Revenue

2. Appendix A details the provisional revenue outturn for Mousehold Heath as at the end of 2013/14, and comparison of the provisional outturn against the annual budget. The previously reported (December) forecast figures are also provided for information, with the variance against the actual provisional outturn. 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. Entries totalling £11.9k shown for FRS17/IAS19 adjustments, depreciation, and impairment are technical adjustments required to comply with International Financial Reporting Standards but which do not impact on the council tax (precept) requirement. As such, they are omitted from the calculation of the Conservators' balances. These entries are not budgeted for as they cannot be accurately estimated.
 - B. The employee costs provisional outturn is an underspend of £2.3k, possibly reflecting an overprovision for seasonal working.
 - C. The provisional outturn for the various works budgets is an overspend of £12.8k, owing to:
 - £4.8k of additional unbudgeted heathland work forming part of the Higher level stewardship agreement which is funded by unbudgeted grant from the Rural Payments Agency
 - higher than expected costs for works to Britannia Barracks car park
 - the replacement of four benches at short notice
 - D. Support service costs and other recharges (including for the wardens' occupation of Heathgate) shows a provisional outturn of a £4.1k underspend, due to lower levels of costs being recharged from support service providers.
 - E. Income shows an overall budget surplus of £9.7k, made up of £10.7k unbudgeted grant income from the Rural Payments Agency and £1.0k shortfall in budgeted football pitch income.
4. Overall the budget report shows an overspend of £8.6k against the precept. However, in the calculation of the surplus or deficit attributable to Conservator's balances, the adjustments referred to in note A above need to be applied to the actual expenditure & income incurred of £211k, leaving an underspend of £3.2k.
5. The revenue surplus/deficit attributable to Conservators' balances can be summarised as:

Item	2013/14 £
Provisional outturn as report	209,478
Less: Depreciation & Impairment (note A)	-14,182
Less: FRS17/IAS19 (note A)	2,328
= Net Revenue 2013/14	197,624
Less: Precept 2013/14	(200,871)
= Surplus/Deficit 2013/14	(3,247)

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 second of ten instalments) in addition to the revenue surplus.
7. The impact of the revenue surplus and pension costs on the level of balances is therefore:

Item	2013/14 £
Balance brought forward from 2012/13	(10,206)
Plus: Revenue surplus 2013/14	(3,247)
Less: Pension costs - 2 nd of 10 instalments	2,808
Balance c/f to 2014/15	(10,645)

8. This level of balances is not unreasonable in the light of the turnover and risk profile of the Conservators' budget and precept, and is not inconsistent with the £9,403 level of balances anticipated by Conservators when setting the precept for 2014/15 at their meeting of 17 January 2014.
9. Conservators, when considering their precept for 2015/16, will no doubt wish to review the then anticipated budget and risk profile and assess whether the precept should provide for any (small) increase or decrease on the balances.

Capital

10. The position on capital is as follows:

Item	£
Rangers House balance b/f	- £118,767
Changing Rooms spend 2013/14	£0
Mottram Memorial spend 2013/14	£0
Balance of receipts c/f	- £118,767

Summary

11. The Conservators' financial position at the end of the 2013/14 financial year appears satisfactory, in that it is not inconsistent with the financial planning, budgets, and precept for 2014/15.
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

Budget Monitoring Report			Year: 2013/14			Period 13 (EOY)		
421020	Mousehold Heath Conservators					Neighbourhood Services		
<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>
		EXPENDITURE						
		Employees						
63,724	64,361	1405 Salaries Full Time	64,361	61,231	-3,130	64,898	3,667	
7,147	7,218	1406 Salaries Employer PF Contrib'ns	7,218	8,337	1,119	8,724	387	
473	473	1990 Employee/Liability Insurance	473	205	-268	473	268	
71,344	72,052	Subtotal Employees	72,052	69,773	-2,279	74,095	4,322	B
		Premises						
5,615	5,615	2100 General Repairs & Maintenance	5,615	4,779	-836	2,880	-2,735	C
0	0	P100 Programmed Maint (ES/Prop Grp)	0	488	488	0	-488	C
14,000	14,000	R100 Day to Day Reps (ES/Prop Grp)	14,000	22,399	8,399	14,000	-8,399	C
0	0	T100 Day to Day Repairs (Tenants)	0	0	0	0	0	C
2,000	2,000	2600 Grounds General Mtce & Upkeep	2,000	5,841	3,841	0	-5,841	C
72,054	72,054	2651 Grounds Maintenance contract	72,054	72,054	0	72,054	0	C
0	0	2653 Schedule of Rates/Dayw orks	0	160	160	320	160	C
4,497	4,497	2655 Treew orks	4,497	5,232	735	4,497	-735	C
598	598	2810 Electricity	598	1,066	468	1,061	-5	
750	750	2850 Water Charges Unmetered	750	23	-727	0	-23	
750	750	2853 Sew erage Charge Metered	750	0	-750	0	0	
5,758	5,758	2875 Contract Cleaning	5,758	5,453	-305	5,758	305	
0	0	2900 Fire Insurance Buildings/Conts	0	19	19	0	-19	
106,022	106,022	Subtotal Premises	106,022	117,514	11,492	100,570	-17,780	
		Transport						
1,260	1,260	3080 Car and Cycle Allow ances	1,260	1,279	19	1,209	-70	
1,260	1,260	Subtotal Transport	1,260	1,279	19	1,209	-70	
		Supplies & Services						
450	450	3370 Equipment - Purchase	450	479	29	532	53	
450	450	3371 Equipment - Repairs/Maintenance	450	470	20	500	30	
290	290	3399 Stationery Recharges	290	0	-290	0	0	
190	190	3550 Clothing and Uniforms General	190	331	141	234	-97	
300	300	3570 DPP Printing Costs	300	0	-300	0	0	
100	100	3710 Telephones General	100	0	-100	0	0	
190	190	3715 Mobile Phone Rentals & Calls	190	108	-82	0	-108	
0	0	3901 Insurances Other	0	277	277	0	-277	
960	960	3910 Advertising General	960	1,073	113	437	-523	
2,930	2,930	Subtotal Supplies & Services	2,930	2,738	-192	1,703	-922	
		Capital Charges						
3,250	3,250	5701 Depreciation (Operational Assets)	3,250	1,794	-1,456	3,250	1,456	A
0	0	5702 Impairment (Operational Assets)	0	12,388	12,388	0	-12,388	A
-14,639	-14,639	9722 Contrib from Deferred Reserve Acct	-14,639	0	14,639	0	0	
-11,389	-11,389	Subtotal Capital Charges	-11,389	14,182	25,571	3,250	-10,932	
170,167	170,875	Subtotal EXPENDITURE	170,875	205,486	34,611	180,827	-25,382	
		INCOME						
		Receipts						
0	0	7824 Non-Gov't Grants & Cont's: Specific	0	0	0	-500	-500	
0	0	7097 Government Grants: Specific	0	-10,695	-10,695	-1,035	9,660	E
-3,000	-3,000	8123 Football	-3,000	-1,956	1,044	0	1,956	E
-13,000	-13,000	9039 Other Rents	-13,000	-13,000	0	-13,000	0	
-1,800	-1,800	9132 Catering Concessn Ptch & Putt	-1,800	-1,800	0	-1,800	0	
-17,800	-17,800	Subtotal Receipts	-17,800	-27,451	-9,651	-16,335	11,116	
-17,800	-17,800	Subtotal INCOME	-17,800	-27,451	-9,651	-16,335	11,116	
		INDIRECT						
		Recharge Expenditure						
3,439	3,439	1935 Pension Added Years share	3,439	3,469	30	3,439	-30	D
4,570	4,570	1939 Pension Deficit Recovery share	4,570	4,573	3	0	-4,573	D
0	0	1948 FRS17/IAS 19 Adjustment	0	-2,328	-2,328	4,573	6,901	A
4,413	4,413	4040 CDS IT Services Recharge	4,413	2,897	-1,516	4,413	1,516	D
4,340	4,340	5022 CDS HR Services Recharge	4,340	3,800	-540	4,340	540	D
3,034	1,597	5024 Property Services Recharge	1,597	1,377	-220	4,106	2,729	D
6,894	6,894	5026 CDS Finance Services Recharge	6,894	6,205	-689	6,894	689	D
5,908	5,908	5044 CDS Management Support	5,908	5,934	26	5,908	-26	D
1,672	1,672	5047 CDS Comms + Research Recharge	1,672	1,545	-127	1,672	127	D
5,087	5,087	5097 Recharge from AHOs/One Stop Shops	5,087	3,971	-1,116	5,087	1,116	D
39,357	37,920	Subtotal Recharge Expenditure	37,920	31,443	-6,477	40,432	8,989	
39,357	37,920	Subtotal INDIRECT	37,920	31,443	-6,477	40,432	8,989	
191,724	190,995	Total Mousehold Heath Conservators	190,995	209,478	18,483	204,924	-5,277	