

## **Report for Information**

<b>Report to</b>	Mousehold Heath Conservators 13 January 2012	<b>Item</b>
<b>Report of</b>	Head of finance	<b>6</b>
<b>Subject</b>	Budget monitoring statement April – November 2011	

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### **Purpose**

The purpose of this report is to provide the Conservators with a budget monitoring position for the Mousehold Heath Conservators budget 2011/12.

### **Recommendations**

It is recommended 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 2011/12.

### **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 November 2011, by comparison to the annual budget and expected out turn. Where appropriate, explanations for variances are contained in the notes at point 3 below.
2. The period covered by the report is the latest for which budget information is available. The timing of Conservators' meetings makes it impractical to provide quarterly reports on a timely basis. Further budget monitoring reports will be provided to the Conservators during the course of the financial year.
3. 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 £8k overspend, based on actual spend to date. The salary budget has been overspent at this period in previous years and this was thought to be due to enhanced salary payments during the summer period front loading the spend. However, the salary budget variance for the year ending March 2011 showed an overspend and therefore the draft salary budget for 2012-13 has been adjusted to reflect the actual costs.
  - B. Unbudgeted expenditure which is due to miss-posting of costs. This will be rectified at year end.
  - C. Low actual spend does not fully reflect the programme of work which has been ordered but not yet paid for, or is planned but not yet ordered. However, the outturn on the T100 budget has shown an underspend in 2009-10 and 2010-11 years which is in part a reflection of a greater level of day to day management work being undertaken by the two Mousehold wardens rather than through the use of contractors, which is resulting in reduced expenditure. The forecast outturn for the costs of the contracts will be to budget.
  - D. The actual (credit) expenditure represents the carry-forward of the balance from the 2010/11 account of the cumulative underspend against the Conservators' precept and budget.
  - E. Budgets for support service costs, and other recharges, have been reviewed. Actual recharges will be processed later in the financial year. The forecast outturn reflects an expectation that the updated budget will be fully utilised.
4. Forecasts for repairs and dayworks include assumed spend on planned renewal of bollards, fencing, etc. (£6-7k) and vegetation cutting (£1.5k) from the work programme. If these works are not executed, any savings not applied to other elements of the work programme would contribute to an underspend.
5. Any revenue contribution towards costs of the new changing rooms (above the level of the capital funding available) is assumed to be containable within the revenue forecasts.
6. Future reports will refine the assumptions referred to above in the light of the developments in the work programme and other areas.
7. The impact of the forecast outturn on the balance held on behalf of the Conservators is

as follows:

Balance brought forward	- £42,134
Precept 2011/12	- £191,095
Forecast Outturn 2011/12	£198,398
Balance carried forward	- £34,831

8. The reduction in balance carried forward of £7,303 can be analysed as follows:

Increases in support services costs	£3,085
Salaries overspend	£7,950
Other underspends	- £3,732
<b>Reduction in balances</b>	<b>£7,303</b>

9. Financial risks applicable to the Conservators have been identified through risk planning and, together with mitigating actions, are reported below:

Risk	Mitigation
Adverse budgetary variance on expenditure and/or income.	<ul style="list-style-type: none"> <li>• Monthly monitoring of spend against budget.</li> <li>• Provide quarterly budget monitoring reports to Conservators</li> </ul>
Unexpected management costs and repair bills due to vandalism, storm and fire damage	<ul style="list-style-type: none"> <li>• Continue active vegetation management work to reduce storm &amp; fire risks.</li> <li>• Encourage all site users to report vandalism and other ASB.</li> <li>• Ensure that repairs are carried out quickly &amp; effectively to limit further damage and expenditure</li> <li>• Develop a contingency budget for projects and within the main Mousehold budget to cover unexpected expenditure</li> </ul>
Reduction in available funding	<ul style="list-style-type: none"> <li>• Continue the existing approach of utilising a range of mechanisms to undertake site work e.g., volunteers, specialist contractors, Mousehold wardens to maximise the use of the available budget and achieve value for money</li> <li>• Develop opportunities to secure external funding, e.g., Government environmental grants schemes, the Lottery, Landfill Tax etc.</li> </ul>

## Budget Monitoring Report

Year: 2011/12

Period: 8 (Nov)

421020 Mousehold Heath Conservators			Neighbourhood Services					
Approved Budget	Current Budget		Budget To Date	Actual To Date	Variance To Date	Forecast Outturn	Forecast Variance	Note
<b>EXPENDITURE</b>								
<b>Employees</b>								
53,507	53,507	1405 Salaries Full Time	35,664	39,952	4,288	59,928	6,421	
4,670	4,670	1406 Salaries Employer PF Contrib'ns	3,112	2,653	-459	6,199	1,529	
374	374	1990 Employee/Public Liab. Insurance	0	0	0	374	0	
<b>58,551</b>	<b>58,551</b>	<b>Subtotal Employees</b>	<b>38,776</b>	<b>42,604</b>	<b>3,828</b>	<b>66,501</b>	<b>7,950</b>	A
<b>Premises</b>								
0	0	2100 General Repairs & Maintenance	0	1,739	1,739	2,609	2,609	B
68,168	68,168	2651 Grounds Maintenance contract	45,440	48,244	2,804	68,168	0	C
5,414	5,414	2653 Schedule of Rates/Dayworks	3,608	4,686	1,078	5,414	0	C
4,254	4,254	2655 Treeworks	2,832	2,660	-172	4,254	0	C
598	598	2810 Electricity	392	71	-321	106	-492	
750	750	2850 Water Charges Unmetered	496	36	-460	54	-696	
750	750	2853 Sewerage Charge Metered	496	0	-496	0	-750	
6,653	6,653	2875 Contract Cleaning	4,432	3,359	-1,073	5,038	-1,615	C
30,436	30,436	T100 Day to Day Repairs (Tenants)	20,291	703	-19,588	30,436	0	C
<b>117,023</b>	<b>117,023</b>	<b>Subtotal Premises</b>	<b>77,987</b>	<b>61,498</b>	<b>-16,489</b>	<b>116,079</b>	<b>-944</b>	
<b>Transport</b>								
960	960	3080 Car and Cycle Allowances	640	813	173	1,219	259	
<b>960</b>	<b>960</b>	<b>Subtotal Transport</b>	<b>640</b>	<b>813</b>	<b>173</b>	<b>1,219</b>	<b>259</b>	
<b>Supplies &amp; Services</b>								
290	290	3399 Stationery Recharges	192	0	-192	0	-290	
190	190	3550 Clothing and Uniforms General	120	44	-76	66	-124	
300	300	3570 DPP Printing Costs	200	0	-200	0	-300	
100	100	3710 Telephones General	0	0	0	0	-100	
190	190	3715 Mobile Phone Rentals & Calls	120	61	-59	92	-98	
960	960	3910 Advertising General	640	759	119	1,138	178	
<b>2,030</b>	<b>2,030</b>	<b>Subtotal Supplies &amp; Services</b>	<b>1,272</b>	<b>864</b>	<b>-408</b>	<b>1,297</b>	<b>-733</b>	
<b>Capital Charges</b>								
637	637	5701 Depreciation (Operational Assets)	0	0	0	637	0	
<b>637</b>	<b>637</b>	<b>Subtotal Capital Charges</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>637</b>	<b>0</b>	
<b>179,201</b>	<b>179,201</b>	<b>Subtotal EXPENDITURE</b>	<b>118,675</b>	<b>105,779</b>	<b>-12,896</b>	<b>185,733</b>	<b>6,532</b>	
<b>INCOME</b>								
<b>Receipts</b>								
0	0	7825 Non-Gov't Grants & Contributions	0	-42,869	-42,869	-735	-4,350	D
-1,837	0	8552 Catering Concessions	0	0	0	0	0	
-13,269	-13,269	9039 Other Rents	-9,951	-9,750	201	-14,625	-1,356	
0	-1,837	9132 Catering Concessn Pitch & Putt	-1,232	-1,350	-118	-2,025	-188	
<b>-15,106</b>	<b>-15,106</b>	<b>Subtotal Receipts</b>	<b>-11,183</b>	<b>-53,969</b>	<b>-42,786</b>	<b>-17,385</b>	<b>-5,894</b>	
<b>-15,106</b>	<b>-15,106</b>	<b>Subtotal INCOME</b>	<b>-11,183</b>	<b>-53,969</b>	<b>-42,786</b>	<b>-17,385</b>	<b>-5,894</b>	
<b>INDIRECT</b>								
<b>Centrally Managed</b>								
0	0	R100 Day to Day Reps (ES/Prop Grp)	0	5,524	5,524	0	0	B
<b>0</b>	<b>0</b>	<b>Subtotal Centrally Managed</b>	<b>0</b>	<b>5,524</b>	<b>5,524</b>	<b>0</b>	<b>0</b>	
<b>Recharge Expenditure</b>								
1,900	3,050	1935 CDS Added Years Payments	0	0	0	3,050	0	E
9,200	7,270	4040 CDS Norwich Connect Recharge	0	0	0	7,270	0	E
100	0	4041 Payroll Services Recharge	0	0	0	0	0	E
2,900	0	5000 CDS Accommodation Recharge	0	0	0	0	0	E
700	230	5021 CDS Legal Services Recharge	0	0	0	230	0	E
1,900	4,420	5022 CDS HR Services Recharge	0	0	0	4,420	0	E
2,400	2,400	5024 Property Services Recharge	0	0	0	2,400	0	E
3,300	5,030	5026 CDS Finance Services Recharge	0	0	0	5,030	0	E
0	6,370	5044 CDS Management Support Recharge	0	0	0	6,370	0	E
700	1,280	5047 CDS Comms + Research Recharge	0	0	0	1,280	0	E
5,600	0	5050 CDS Committee Secretariat	0	0	0	0	0	E
<b>28,700</b>	<b>30,050</b>	<b>Subtotal Recharge Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30,050</b>	<b>0</b>	
<b>28,700</b>	<b>30,050</b>	<b>Subtotal INDIRECT</b>	<b>0</b>	<b>5,524</b>	<b>5,524</b>	<b>30,050</b>	<b>0</b>	
<b>192,795</b>	<b>194,145</b>	<b>Total Mousehold Heath Conservators</b>	<b>107,492</b>	<b>57,334</b>	<b>-50,158</b>	<b>198,398</b>	<b>638</b>	