

Report for Information

Report to Mousehold Heath Conservators
19 June 2015

Item

Report of Chief Finance Officer

7

Subject Provisional Outturn 2014/15

Purpose

To advise the Conservators with a provisional revenue and capital outturn position for the Mousehold Heath Conservators budgets 2014/15.

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. 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 2014/15, and comparison of the provisional outturn against the annual budget. The previously reported (January) 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 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.
 - B. The provisional outturn for the various works budgets is an overspend of £7k, owing mainly to:
 - £1.6k of additional unbudgeted heathland restoration work that is funded from unbudgeted income.
 - £3.9k of additional unbudgeted work under day to day repairs. £3.3k relates to external decoration costs at the Pavilion that could not be capitalised and was paid during 2014-15.
 - C. Support service costs and other recharges (including for the wardens' occupation of Heathgate) shows a provisional outturn of a £2.3k underspend, due to lower levels of costs being recharged from support service providers.
 - D. Income shows an overall budget surplus of £4.9k, made up of £4.6k income from an insurance claim that was later paid out to Zaks via premises code 2900 showing an off set of £4.6k. There was also unbudgeted income of £1.6k to fund heathland restoration work & a shortfall in income of £1.2k from football pitches.
4. Overall the budget report shows an underspend of £4.1k 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 £207k, leaving an overspend of £849.
5. The revenue surplus/deficit attributable to Conservators' balances can be summarised as:

Item	2014/15 £
Net Revenue 2014/15	211,756
Less: Precept 2014/15	(210,907)
= Surplus/Deficit 2014/15	849

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	2014/15 £
Balance brought forward from 2013/14	(10,645)
Plus: Revenue Deficit 2014/15	849
Less: Pension costs – 3 rd of 10 instalments	2,808
Balance c/f to 2015/16	(6,989)

8. This level of balances is not unreasonable in the light of the turnover and risk profile of the Conservators' budget and precept, This is less than the level of balances anticipated by Conservators when setting the precept for 2015/16 at their meeting of 30th January 2015 and is not sufficient to meet the pension deficit charges.
9. Conservators may wish to review the 2015-16 work programme should they wish to reduce spend in the year to provide a small increased balance. Alternatively Conservators may when considering their precept for 2016-17, wish to review the anticipated budget and risk profile and assess the precept and provide for any (small) increase in balances.

Capital

10. The position on capital is as follows:

Item	£
Rangers House balance b/f	- £118,767
The Pavilion	£18,001
Balance of receipts c/f	- £100,766

Summary

11. The Conservators' financial position at the end of the 2014/15 financial year appears satisfactory, in that it is not inconsistent with the financial planning, budgets, and precept for 2015/16.
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: 2014/15		Period: 12 (Mar)				
421020			Mousehold Heath Conservators			Neighbourhood Services			
<i>Approved</i>	<i>Current</i>		<i>Budget To</i>	<i>Actual To</i>	<i>Variance</i>	<i>Forecast</i>	<i>Forecast</i>		<i>Notes</i>
<i>Budget</i>	<i>Budget</i>		<i>Date</i>	<i>Date</i>	<i>Outturn</i>	<i>Outturn</i>	<i>Variance</i>		
		EXPENDITURE				P10 January	P10 January		
		Employees							
65,925	65,925	1405 Salaries Full Time	65,925	64,630	-1,295	65,016	-909		
7,536	7,536	1406 Salaries Employer PF Contrib'ns	7,536	8,714	1,178	8,776	1,240		
4,108	4,108	1935 Pension Added Years share	4,108	4,291	183	4,108	0		
6,095	6,095	1939 Pension Deficit Recovery share	6,095	6,290	195	6,290	195		
0	0	1948 FRS17/IAS 19 Adjustment	0	-6,719	-6,719	0	0		A
1,045	1,045	1990 Employee/Liability Insurance	1,045	346	-699	346	-699		
84,709	84,709	Subtotal Employees	84,709	77,552	-7,157	84,536	173		
		Premises							
4,000	4,000	2100 General Repairs & Maintenance	4,000	4,230	230	4,464	464		B
2,000	2,000	2600 Grounds General Mtce & Upkeep	2,000	3681	1,681	5,538	3,538		B
75,855	75,855	2651 Grounds Maintenance contract	75,855	76,094	239	75,855	0		B
4,239	4,239	2655 Treeworks	4,239	4,253	14	4,239	0		
598	598	2810 Electricity	598	1,097	499	952	354		
750	750	2850 Water Charges Unmetered	750	0	-750	0	-750		
750	750	2853 Sewerage Charge Metered	750	0	-750	0	-750		
6,238	6,238	2875 Contract Cleaning	6,238	6,454	216	6,238	0		
0	0	2900 Fire Insurance Buildings/Conts	0	4,625	4,625	15	15		D
94,430	94,430	Subtotal Premises	94,430	100,433	6,003	97,301	2,871		
		Transport							
1,260	1,260	3080 Car and Cycle Allowances	1,260	874	-386	930	-330		
1,260	1,260	Subtotal Transport	1,260	874	-386	930	-330		
		Supplies & Services							
450	450	3370 Equipment - Purchase	450	453	3	543	93		
450	450	3371 Equipment - Repairs/Maintenance	450	409	-41	474	24		
290	290	3399 Stationery Recharges	290	0	-290	0	-290		
190	190	3550 Clothing and Uniforms General	190	169	-21	183	-7		
300	300	3570 DPP Printing Costs	300	0	-300	0	-300		
100	100	3710 Telephones General	100	0	-100	0	-100		
190	190	3715 Mobile Phone Rentals & Calls	190	148	-42	0	-190		
0	0	3901 Insurances Other	0	224	224	0	0		
960	960	3910 Advertising General	960	1,467	507	1598	638		
2,930	2,930	Subtotal Supplies & Services	2,930	2,870	-60	2,798	-132		
		Capital Financing							
3,250	3,250	5701 Depreciation (Operational Assets)	3,250	1,719	-1,531	3,250	0		A
0	0	5704 Impairment (Non-Op Assets)	0	-98	-98	0	0		A
3,250	3,250	Subtotal Capital Financing	3,250	1,621	-1,629	3,250	0		
186,579	186,579	Subtotal EXPENDITURE	186,579	183,350	-3,229	188,815	2,236		
		INCOME							
		Receipts							
0	0	8063 Insurance Costs Recovered	0	-4,610	-4,610	-4,610	-4,610		D
-3,000	-3,000	8123 Football	-3,000	-1,730	1,270	-2,076	924		D
-13,000	-13,000	9039 Other Rents	-13,000	-13,000	0	-15,600	-2,600		
-1,800	-1,800	9132 Catering Concessn Pitch & Putt	-1,800	-1,800	0	-2,160	-360		
0	0	7097 Government Grants: Specific	0	-3,655	-3,655	-2,622	-2,622		
-2,070	-2,070	7099 Government Grants: Non-Specific	-2,070	0	2,070	0	2,070		
-19,870	-19,870	Subtotal INCOME	-19,870	-24,795	-4,925	-27,068	-7,198		

		INDIRECT						
		Centrally Managed						
0	0	P100 Programmed Maint (ES/Prop Grp)	0	909	909	0	0	B
14,000	14,000	R100 Day to Day Reps (ES/Prop Grp)	14,000	17,968	3,968	14,000	0	B
	14,000	Subtotal Centrally Managed	14,000	18,877	4,877	14,000	0	
		Recharge Expenditure						
4,426	4,426	4040 CDS IT Services Recharge	4,426	3,322	-1,104	4,426	0	C
5,147	5,133	5022 CDS HR Services Recharge	5,133	4,600	-533	5,133	0	C
1,814	1,814	5024 Property Services Recharge	1,814	1,659	-155	1,849	35	C
7,258	7,487	5026 CDS Finance Services Recharge	7,487	6,905	-582	7,487	0	C
6,036	6,221	5044 CDS Management Support	6,221	6,018	-203	6,221	0	C
1,388	1,508	5047 CDS Comms + Research	1,508	1,687	179	1,508	0	C
5,087	5,087	5097 Recharge from AHOs/One Stop	5,087	5,134	47	5,087	0	C
31,156	31,676	Subtotal Recharge Expenditure	31,676	29,324	-2,352	31,711	35	
45,156	45,676	Subtotal INDIRECT	45,676	48,201	2,525	45,711	35	
211,865	212,385	Total Mousehold Heath Conservators	212,385	206,756	-5,629	207,458	-4,927	
		Adjustments						
		Total Mousehold Heath Conservators		206,756				
		FRS17		6,719				
		Depreciation		-1,719				
		Net Revenue 2014/2015		211,756				
		Precept		-210,907				
		Provisional Position at 31st March 15		849				