

Report to: Cabinet, 11th June 2013

Report of: Cabinet Member for Delivering Value for Money

Subject: QUARTER4FINANCIAL MONITORING REPORT - 2012/13

1. Decisions Required

- 1.1 Cabinet are invited to note the attached quarter 4 financial monitoring report as presented to Performance Management and Budget Scrutiny (PMBS) committee, and make any recommendations of action they wish to take as a result of that information.
- 1.2 Cabinet are asked to consider any feedback/comments from PMBS, and subject to this, are asked to:
 - approve the proposed appropriation of £23k to the 'change programme' earmarked reserves (see paragraph 3.4 below);
 - approve twelve Business Rates account write-offs totalling £91k as detailed in paragraph 4.3 below.

2. Background

- 2.1 See attached PMBS report.

3. Financial Performance - Headlines

- 3.1 The Council has delivered a small revenue budget surplus of £23k at the year end. This has occurred despite significant income budget shortfalls totalling £435k, most of which occurs on fees and charges. These have been compensated by an expenditure budget surplus of £458k for the year. More than half of the expenditure budget surplus arose through management action plans to deliver a balanced budget.
- 3.2 In arriving at the revenue figures, a number of planned transfers to and from earmarked reserves have taken place. The Council's Earmarked Reserves balances at the start of 2012/13 were £5.132m. Of this, £1.47m of earmarked reserves has been spent in year, and £1.075m has been transferred back into earmarked reserve balances from the 2012/13 budgets and grants. The closing balance after planned activity is £4.737m.
- 3.3 The General Fund balance brought forward from 2011/12 was £1.25m, an increase of £250k on the year before, to reflect the uncertainty of government funding and budget shortfalls in the latter years of the MTF5. Council approved a small increase of £8k to £1.258m as part of the 2012/13 budget setting process. The volatility on Local Government funding has increased, with more risk transferred locally from central government, particularly on business rates and council tax support. It is therefore recommended that the General Fund Balance is continued at its current level of £1.258m and rolled forward into 2013/14.
- 3.4 It is also recommended that the small revenue surplus of £23k in 2012/13 is transferred to the 'Change Programme' earmarked reserve, for future initiatives on improving value for money and generating savings proposals. This will increase the closing balances on earmarked reserves to £4.760m.

3.5 The Capital Programme budget for 2012/13 is £1.868m and the expenditure for the year is £1.064m. The “underspend” of £0.8m in year is largely made up of slippage on a number of schemes into the 2013/14 financial year. The capital programme expenditure was financed by external Grants (£424k), earmarked reserves (£365k), and capital receipts (£275k).

4. Performance Indicators

4.1 The Council’s target for paying invoices within terms is 100%. At the end of the Quarter 4, the actual achievement was 94.25% on time, up from 89.8% in Quarter 4 2011/12. In addition, in 2009/10 the council undertook to pay local suppliers within 10 days. Performance in the fourth quarter of 2012/13 was 84.07% compared to 82.83% the previous year

4.2 The percentage of current year debt collected on Council Tax and Business Rates to the end of March 2013 is shown below, together with the comparable figures for March 2012.

	Percentage collected up to 31st March	
	2012	2013
Council Tax	97.85%	97.55%
Business Rates	98.92%	98.58%

4.3 The write-offs of Council Tax and Business Rates compiled during Quarter 4 are for 115 cases and amount to £43k for Council Tax and £156k for Business Rates, £199k in total. Of these write-offs, 83 cases totalling £52k (below £2,000) have been approved by the Revenues & Benefits Shared Service management and 20 cases totalling 56k (below £5,000) have been approved by the S151 Officer. The write-off of twelve Business Rates accounts totalling £91k (four for insolvency and eight for absconding/cannot be traced/other) are presented to Cabinet for approval.

5. Policy, Legal, Equalities, Financial and Risk Management Implications

5.1 See attached PMBS report.

6. Comments of the Corporate Director - Resources

6.1 See attached PMBS report.

7. THE CABINET MEMBER FOR DELIVERING VALUE FOR MONEY, COUNCILLOR RICHARD BOORN, RECOMMENDS:

1. **Cabinet note the financial monitoring report and variances highlighted for the final quarter/year end for 31st March 2013, and make any recommendations of action they wish to take as a result of that information.**

2. **Cabinet consider any feedback/comments from PMBS, and subject to this:**

- **approve the proposed appropriation of £23k to the ‘change programme’ earmarked reserves (see paragraph 3.4);**
- **approve twelve Business Rates accounts write-offs totalling £91k (see paragraph 4.3).**

Ward(s): All
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Background Papers: