



Report to: Cabinet, 22nd March 2016

Report of: Councillor Chris Mitchell, Cabinet Member for Resources

Subject: QUARTER 3 FINANCIAL MONITORING REPORT – 2015/16

1. Recommendation

- 1.1 That Cabinet consider any feedback from PMBS and note the financial monitoring report and variances highlighted for the third quarter ended 31st December 2015, and make any recommendations of action they wish to take as a result of that information; and**
- 1.2 That Cabinet approve the write-offs noted in paragraph 3.6 below.**

2. Background

- 2.1 This report covers the 3rd quarter financial performance for 2015/16, which is for the period 1st October to 31st December 2015. Other background issues are covered in the attached PMBS Committee report.

3. Preferred Option

- 3.1 The performance at the end of Q3, against a budget which is profiled mainly on a straight line basis, is a surplus of £298k. The main reasons for the surplus position is extra income over budget, particularly on car parking and temporary contract income for street sweepings.
- 3.2 The forecast surplus for the year-end has increased by c£100k since Q2 to £404k, which is largely due to a forecast net improvement on Housing Benefits subsidy and recovery of HB overpayments.

At summary level by type, the variances for the year-end forecast variances are:

- Income – in surplus by £494k
 - Salaries – underspent by £4k
 - Non-Pay – overspent by £94k
- 3.3 The 'Mind the Gap' savings plan is on target to deliver the majority of the £1.017m savings items, with £150k at risk of non-delivery by year end. The 'at risk' items are the project on business improvements (transactional reviews) and additional bereavement income from price increases. Although the bereavement charges were increased for 2015/16, the income target will not be achieved due to reduced levels of activity, in part due to the temporary disruption during the crematorium refurbishment period.

- 3.4 The Council's target for paying invoices within terms is 100%. At the end of Q3 performance was 96.02% paid on time (97.48% Q3, 2014/15). The full year for 2014/15 was 97.2%.
- 3.5 The collection of Council Tax and Business Rates has remained at broadly the same level as last year.
- 3.6 The amount of write-offs of Council Tax and Business Rates during Q3 is lower than the same quarter last year with some £71k put forward for write-off compared to £253k at Q3 last year. The £71k of write-offs include; £3k from 1 case which requires the approval of the Corporate Director – Resources, £28k from 2 cases which requires Cabinet approval, and the remaining £40k from 63 cases have been approved by the Revenues & Benefits Shared Service management.
- 3.7 The level of write-offs in 2015/16 to date is £43k greater than the whole of last year and reflects a higher number of write-offs relating to bankruptcies and liquidations. A full comparison to 2014/15 is included in the attached PMBS Committee report.

4. Alternative Options Considered

- 4.1 None

5. Implications

- 5.1 Financial and Budgetary Implications – as noted above.
- 5.2 Legal and Governance Implications - none
- 5.3 Risk Implications – at the Q3 stage of the year, the forecast is a good prediction for the year-end outcome. However in areas such as Housing Benefit a 1% swing on performance would cause a disproportionate impact, adverse or favourable, on the Council's bottom line. In respect of Planning Appeals, there is a risk of higher costs being incurred with awards against the council.
- 5.4 Corporate/Policy Implications - none
- 5.5 Equality Implications - none
- 5.6 Human Resources Implications - none
- 5.7 Health and Safety Implications - none

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Background Papers: None