



FINANCIAL PERFORMANCE MONITORING SUITE

August 2014

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Headlines – Financial Performance

The 2014/15 financial performance of the Council, based on August 2014 actual, is as follows:

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 - Forecast net spending is £20.7 million which is some £170k less than the original budget.
 - Forecast contribution from reserves is £0.8million which is £400k less than originally budgeted.
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 - If 2014/15 carry-forward requests did not proceed, forecast spend would be £20.9m and the use of reserves would be £1.08m.
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 - Of the £2.9m savings included in the 2014/15 budget £2.77m are forecast to be achieved. The total for Facing the Future are £1.571m identified potential savings of which £1.453m are expected to be delivered.
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 - The forecast net capital programme is £6.2 million which includes £1.9 million expenditure which slipped from 2013-14.
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 - Currently the underspending on the Council Tax Support Scheme is £0.053 million.
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 - Current indications are showing Non Domestic Rates receipts marginally above budget; however these remain volatile due to the potential impact on the valuation list of appeals (and a number remain unresolved at this time) and new valuations.
 - In addition to the NDR collected a government grant forecast at £0.660m will be received for new burdens in respect of Non Domestic Rates.
- Page 21
 - The number of “new homes” Band D equivalent properties is ahead of target by 137 properties. A potential increase of £0.164 million in New Homes Bonus.

Appendix 1a

Huntingdonshire District Council

- Forecast against Original & Updated Budget
- Impact on General Fund Balance

	August 2014						
	Original Budget	Updated Budget	Forecast	Forecast Variation Compared to			
	£000	£000	£000	Original Budget £000	%	Updated Budget £000	%
Forecast Outturn							
Budget Total (Net Expenditure)	20,870	21,113	20,699	(171)	(0.8)	(414)	(2.0)
Use of Reserves	(1,005)	(1,248)	(834)	171	(17.0)	414	(33.2)
Budget Requirement	19,865	19,865	19,865				
Financing:							
- Collection Fund	(21)	(21)	(21)				
- Government Grant (Non-Specific)	(12,206)	(12,206)	(12,206)				
Council Tax for Huntingdonshire DC	7,638	7,638	7,638				

Impact on Reserves							
General Fund Reserves							
- 31st March 2014	9,027	9,027	8,684 (A)	(343)	(3.8)	(343)	(3.8)
Use of Reserves	(1,005)	(1,248)	(834)				
Outturn General Fund Reserve	8,022	7,779	7,850	(172)	(2.1)	71	0.9
- 31st March 2015							

Definitions

- Original Budget As approved by Council, February 2014.
- Updated Budget The Original Budget, updated for brought forward projects from 2013/14.
- (A) Actual General Fund Balance as at 31 March 2014.

Memorandum Item -

to show impact on the General Fund Balance if currently approved 2013/14 Carried Forward expenditure was not carried forward to 2014/15

	August 2014					
	Original Budget	Updated Budget	Forecast	Forecast Variation Compared to Original Budget		
	£000	£000	£000	£000	%	
Forecast Outturn						
Budget Total (Net Expenditure)	20,870	21,113	20,699			
Expenditure that has been carried-forward		246	246 (B)			
Budget Total if Expenditure not c/f	20,870	21,359	20,945	75	0.4	
Use of Reserves	(1,005)	(1,494)	(1,080)	(75)	7.5	
Budget Requirement	19,865	19,865	19,865			
Financing:						
- Collection Fund	(21)	(21)	(21)			
- Government Grant (Non-Specific)	(12,206)	(12,206)	(12,206)			
Council Tax for Huntingdonshire DC	7,638	7,638	7,638			
Impact on Reserves						
- 31st March 2014	9,027		8,684 (A)			
Use of Reserves	(1,005)		(1,080)			
Adjusted Outturn General Fund Balance - 31st March 2015	8,022		7,604	(418)	(5.2)	

Definitions

- Original Budget
- Updated Budget
- (A)
- (B)

As approved by Council, February 2014.
 The Original Budget, updated for brought forward projects from 2013/14.
 Actual General Fund Balance as at 31 March 2014.
 Carried Forward Expenditure to 2014/15

HEAD OF SERVICE SUMMARY

August 2014

Service	Head of Service	Original Budget	Updated Budget	Forecast	Variation Forecast to Updated Budget	Summary Comments (the following are "consolidated" comments for each service)	Saving or Overspend Attributable to					
		£000	£000	£000	£000		2013/14			2014/15		
		Delayed spend	Savings	Overspend	Targeted Savings		Other					
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Leisure & Health	Head of Leisure & Health	(1,622)	(1,251)	(956)	295	Overspend One Leisure St lves following the redevelopment, income is increasing at a slower rate than anticipated and business rates are higher than anticipated.	0	0	295	0	0	
Community	Head of Community	2,798	2,913	2,787	(60)	Savings Voluntary redundancy Vacant posts Licensing increased fees & reduced costs Overspend Wireless camera saving deferred pending technical review	0	(110)	50	0	0	
Development	Head of Development	1,785	1,863	1,587	(259)	Savings Staff vacancies	0	(259)	0	0	0	
Operations	Head of Operations	5,455	5,327	5,190	(137)	Savings Transport maintenance and running costs Pathfinder House business rates saving and refund Cash collection from car parks Staff vacancies Overspend Pensions costs Cafe income shortfall	0	(230)	93	0	0	

August 2014

Service	Head of Service	Original Budget	Updated Budget	Forecast	Variation Forecast to Updated Budget	Summary Comments (the following are "consolidated" comments for each service)	Saving or Overspend Attributable to				
		£000	£000	£000	£000		2013/14			2014/15	
		Delayed spend	Savings	Overspend	Targeted Savings		Other Savings				
Customer Services	Head of Customer Services	4,935	5,080	5,018	(62)	Overspend Agency staff funded form additional grant (see Head of Resources)	(59)	(47)	43	0	0
Resources	Head of Resources	5,873	4,587	4,599	12	Savings Additional grants (partially offset by expenditure see Customer Services) Training and overtime underspend	0	(88)	0	0	0
Corporate Team	Corporate Team Manager	2,258	3,203	3,054	(149)	Savings Reduced payment for historic pension increases Member expenses for travel and phones under budget Increased volume of Land Charges fees	0	(182)	33	0	0
Service Total		21,482	21,722	21,279	(360)		(59)	(916)	514	0	0
Technical adjustments for Revenue to Capital and Recharges in Controllable Expenditure		(612)	(609)	(580)	29						
Budget Net Expenditure		20,870	21,113	20,699	29						

2014/15 Forecast For Savings Items In the Budget

(Forecast Outturn based on Period to Date Actual and estimated service costs/income to the end of the financial year.)

Scheme	Service	MTP Target	Savings Achieved (based on Forecast Outturn)		(Over) or Under Achievement of Savings	Commentary
		£000	£000	%	£000	
Wireless CCTV CCTV Shared Service	Community	(88)	(47)	53%	41	Wireless CCTV project deferred whilst further feasibility and options review undertaken. Partially offset by reduced transmission costs.
Invest to save proposal (Highlode) Increase income from proactive management of commercial estate	Development	(43)	0	0%	43	Highlode slippage due to protracted negotiation, awaiting income forecast to demonstrate whether remaining saving being achieved
Operations management & administration savings Operations management efficiency saving	Operations	(101)	(70)	69%	31	Saving delayed awaiting CRM implementation and review of management structure but sine compensating transport savings
Funded support for Local Enterprise Partnership	Development	(43)	(30)	70%	13	Agreed fee less than anticipated

One Leisure card annual fee	Leisure & Health	(45)	(32)	71%	13	Changes to be introduced November - 2 months later than MTP assumed, may still achieve expected savings
Document Centre office costs & post room savings Document Centre efficiency and external work	Customer Services	(30)	(18)	60%	12	Ongoing savings programme, further savings will be investigated
Energy saving equipment	Operations	(10)	0	0%	10	No equipment installed yet
Review advantage package	Leisure & Health	(25)	(18)	72%	7	New staff structure implemented
Fixed penalty notices for dog fouling & littering	Operations	(5)	0	0%	5	Implementation not progressed
Referral fees action on energy scheme	Operations	(10)	(5)	50%	5	Take up of scheme slow, mild winter and seasonal effect
Overview and Scrutiny Panel reduce budget provision Committee savings	Corporate Team	(8)	(6)	75%	2	Saving on Town Parish support not resolved.
Review pest control service	Community	(38)	(38)	100%	0	
Health & safety contract	Community	(9)	(9)	100%	0	
ECHS income generation	Community	(19)	(19)	100%	0	
Street naming and numbering savings	Community	(32)	(32)	100%	0	
Management/Equalities/Community Strategy saving COMT support and training saving Corporate Office costs saving	Corporate Team	(75)	(75)	100%	0	

Elections efficiency savings & improved cost recovery	Corporate Team	(2)	(2)	100%	0	
Reduction in cost of print	Customer Services	(27)	(28)	104%	(1)	Council wide cost saving.
NNDR discretionary relief	Customer Services	(30)	(30)	100%	0	
Reduce hours at Huntingdon Customer Service Centre	Customer Services	(7)	(7)	100%	0	
Development Management implement e-consultation	Development	(2)	(2)	100%	0	
Development Management recover consultants costs	Development	(1)	(1)	100%	0	
Listed building conservation grants	Development	(37)	(37)	100%	0	
Integration of Housing Strategy with Planning Policy	Development	(25)	(10)	40%	15	Scheme not progressed - but Planning staff vacancies will offset this
Selling planning expertise to other Las	Development	(20)	(20)	100%	0	
Leisure savings target	Leisure & Health	(228)	(228)	100%	0	
OL reduce use of external contractors	Leisure & Health	(2)	(2)	100%	0	
Recycling gate fees	Operations	(51)	(51)	100%	0	
Car park income	Operations	(18)	(18)	100%	0	

Mobilising local energy investment funding	Operations	(15)	(15)	100%	0	
Energy & water use audits	Operations	(2)	(2)	100%	0	
Outsource/shared legal service	Resources	(17)	(17)	100%	0	
Margin on loans to RSLs etc	Resources	(21)	(21)	100%	0	
No grants to Towns/parishes re housing support	Resources	(357)	(357)	100%	0	
Group life insurance	Resources	(21)	(21)	100%	0	
Licensing review attribution of costs	Community	(6)	(15)	250%	(9)	Cost attribution based price increases and increased volume of licences
DECC communities funding	Operations	(16)	(26)	163%	(10)	More funding received than expected
Members allowances auto index mechanism Member support training and office savings	Corporate Team	(15)	(31)	207%	(16)	Additional forecast telephone and travel savings
Street cleaning savings Withdraw graffiti removal & fly posting service	Operations	(70)	(113)	161%	(43)	Vacancies and additional ongoing transport savings
Subtotal Facing The Future Savings		(1,571)	(1,453)	92%	118	

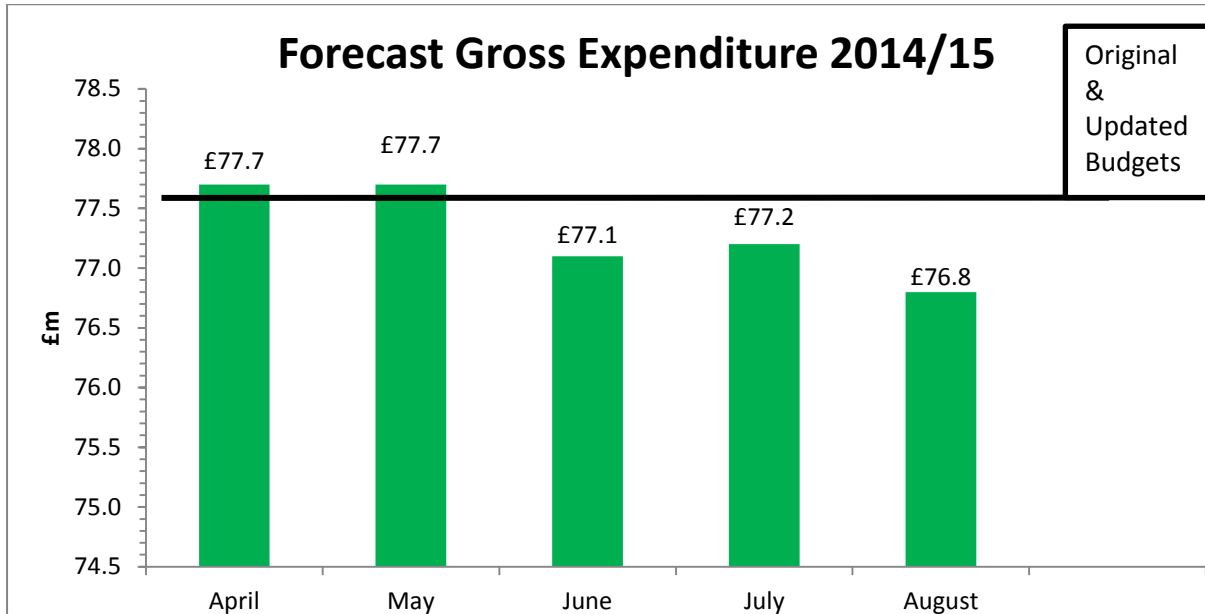
St Ivo LC redevelopment	Leisure & Health	(116)	98	-84%	214	Income growth currently slower than anticipated but may pick up throughout the year.
Outsourced/shared IT	Customer Services	(80)	0	0%	80	Being progressed but delayed due to change in strategy from outsourcing to strategic partnership
Outsource/shared revenues and benefits	Customer Services	(50)	(38)	76%	12	Delays in outsourcing partially offset by vacancies.
New industrial units	Development	(5)	2	-40%	7	Insurance premium increase not recoverable from tenants
Delete Arts Development budget	Community	(11)	(11)	100%	0	
Reduced bus shelter & environmental improvements budget	Community	(20)	(20)	100%	0	
Reduced project & assets Development Management budget	Community	(25)	(25)	100%	0	
Legal and Democratic budget reduction	Corporate Team	(22)	(22)	100%	0	
Local Taxation & Benefits cost of post office payments	Customer Services	(5)	(25)	500%	(20)	Additional savings now expected
Lower debt provision contributions	Customer Services	(177)	(177)	100%	0	
Recovery of Council tax benefit overpayments	Customer Services	(10)	(10)	100%	0	

Housing Services efficiency savings	Customer Services	(5)	(5)	100%	0	
Mobile phones lower tariffs	Customer Services	(20)	(20)	100%	0	
Business systems IMD savings & delivering customer service strategy	Customer Services	(44)	(44)	100%	0	
Economic Development projected savings	Development	(20)	(20)	100%	0	
CIL preparations	Development	(51)	(51)	100%	0	
CIL staff related reorganisation	Development	(30)	(30)	100%	0	
Planning & Housing strategy saving	Development	(17)	(17)	100%	0	
Mobile Home Park income	Development	(8)	(8)	100%	0	
Planning staff savings (existing vacancies)	Development	(50)	(210)	420%	(160)	Vacant posts have increased the saving this year and this is more than off-setting Bid 1071 above.
Replacement fitness equipment	Leisure & Health	(3)	(3)	100%	0	
Charge for second green bin	Operations	(5)	(5)	100%	0	
Nightsoil service no longer required	Operations	(11)	(11)	100%	0	
Emergency planning budget savings	Operations	(23)	(23)	100%	0	
Reduced parks repairs & renewals fund contribution	Operations	(25)	(25)	100%	0	

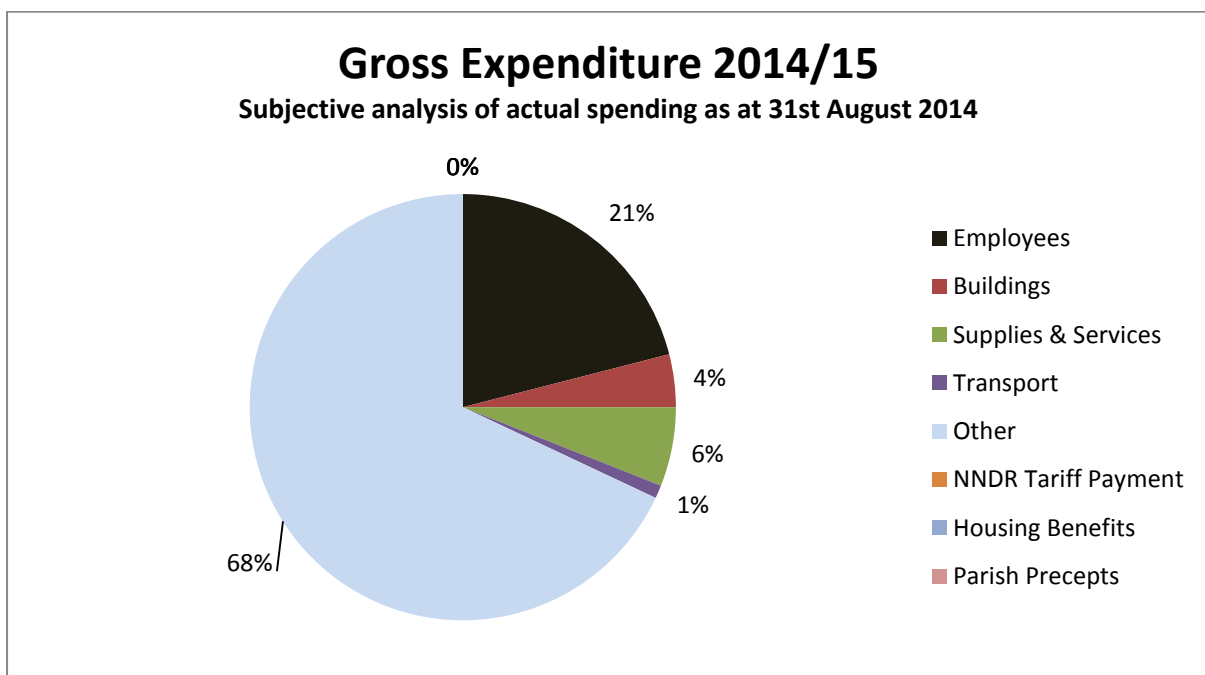
Environment Team projects - reduced base budget	Operations	(42)	(42)	100%	0	
Reduced Facilities Management costs	Operations	(85)	(85)	100%	0	
Environmental Management reduction in training budget	Operations	(3)	(3)	100%	0	
Huntingdonshire Regional College loan	Resources	(146)	(146)	100%	0	
Saving external audit fee	Resources	(50)	(50)	100%	0	
Corporate advertising opportunities	Resources	(20)	(20)	100%	0	
Reduce training budgets	Resources	(20)	(20)	100%	0	
Land Charges market service, review fees & charges	Corporate Team	(13)	18	-138%	31	Settlement of legal dispute - one off cost.
Environment Team projects - budget reduction	Operations	(27)	(37)	137%	(10)	Extra savings on projects budget
Pensions increase saving	Corporate Team	(30)	(44)	147%	(14)	Further reduction in payment
Parking budget saving	Operations	(16)	(45)	281%	(29)	Cash collection saving (£20,000) ongoing, variation between accrual actual (£8,582) one off
Reorganisation senior managers	Corporate	(50)	(143)	286%	(93)	
Subtotal Other Savings		(1,335)	(1,317)	99%	18	
Total All Savings		(2,906)	(2,770)	95%	136	

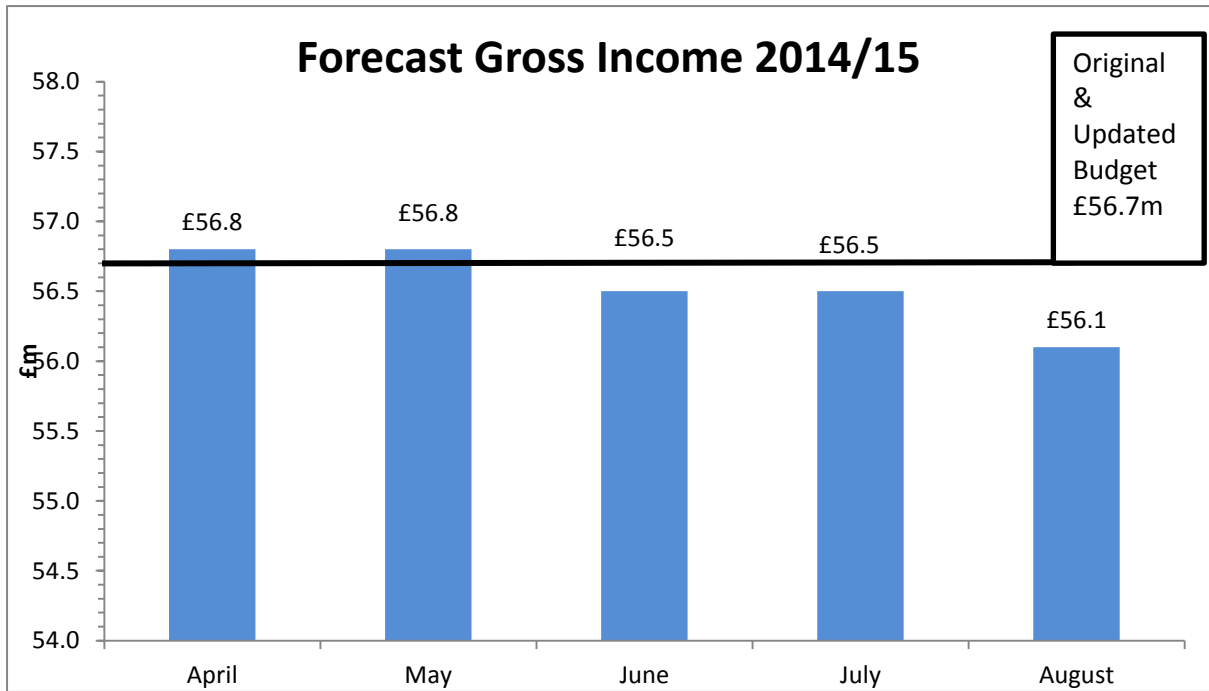
Financial Dashboard (August 2014)

Revenue Income & Expenditure

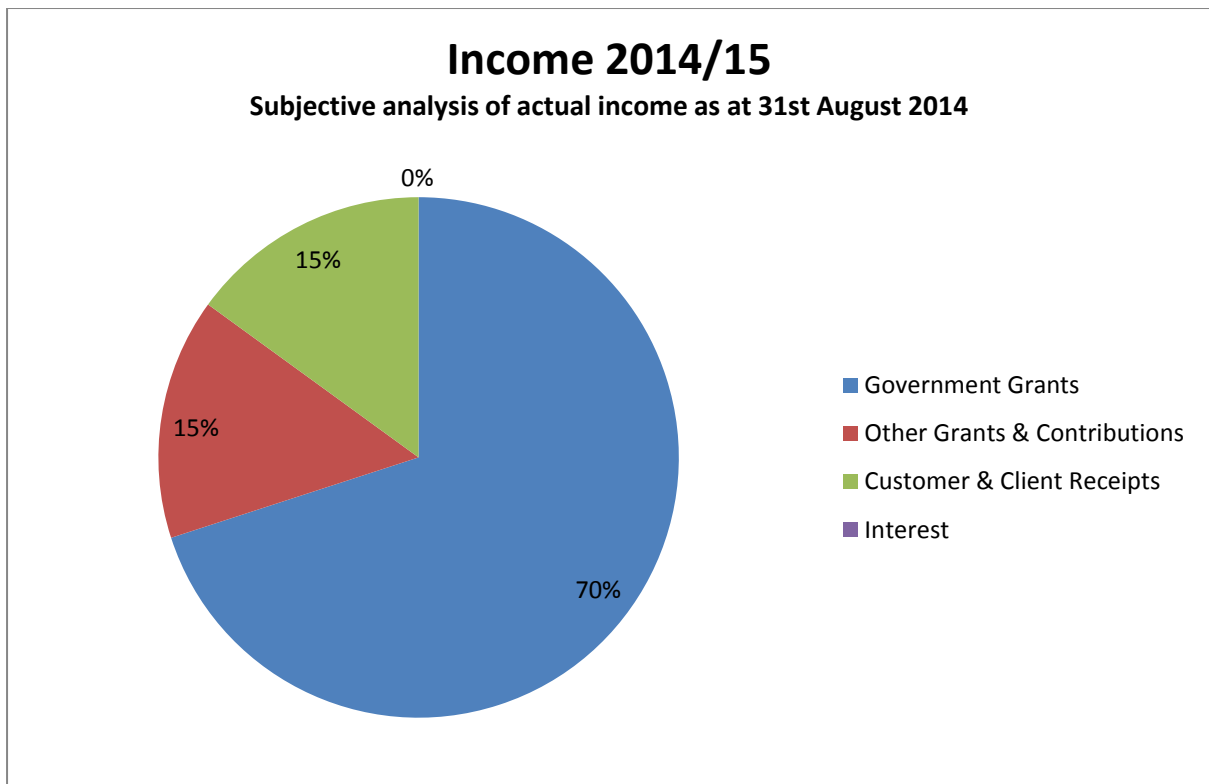


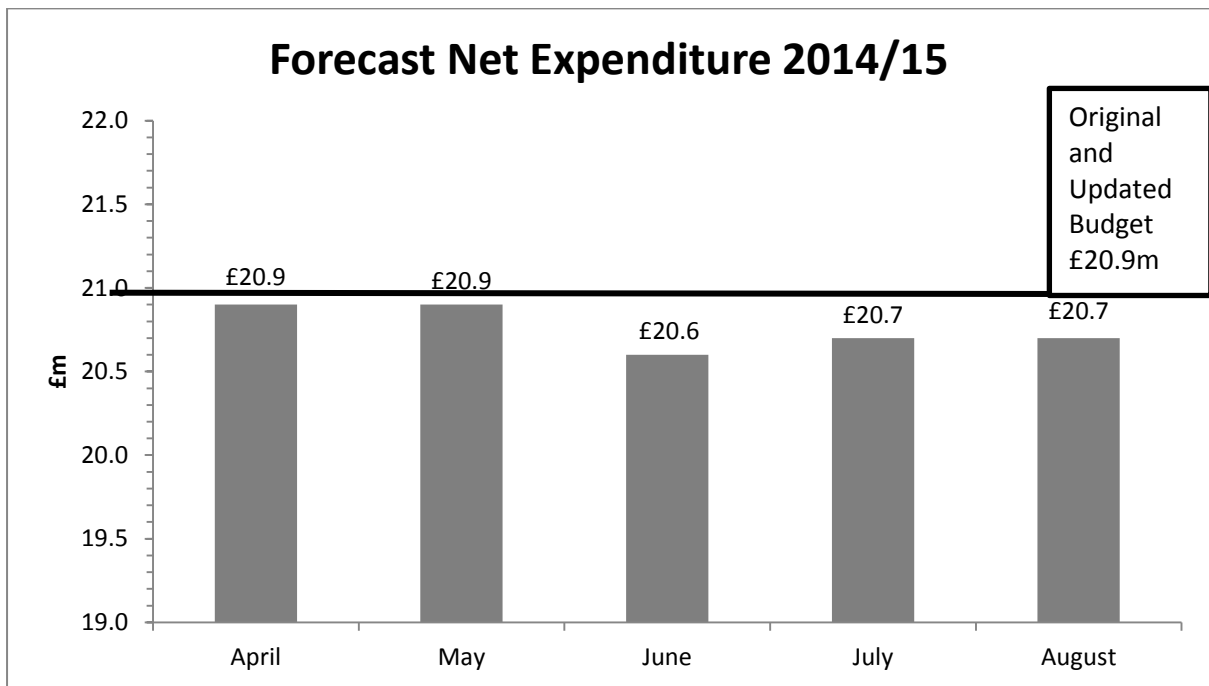
The increase in expenditure between June and July is due to a revised forecast in expenditure savings at Leisure centres and the CCTV wireless camera saving being deferred.



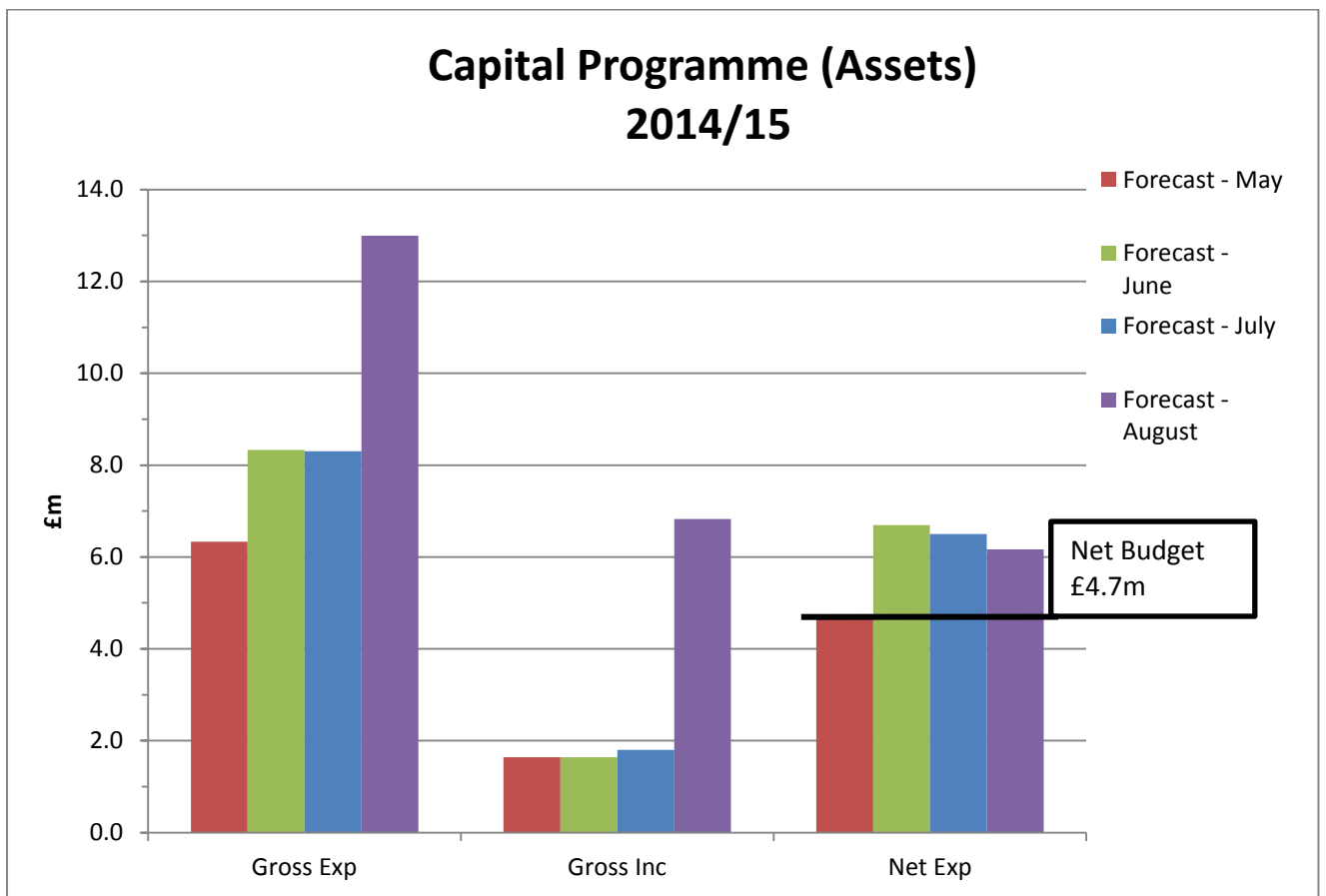


The reduction in forecast income from May to June is due to a revised projection for the Ivo Leisure Centre.





Capital Programme (Property, Plant & Equipment)



The increase in August reflects the receipt of £5m funding from DCLG for Alconbury Weald that will then be “passported” by way of Capital Grant to the Enterprise Zone.

Highlights Of Budget Changes From Last Month	
	£000
Gross Budget July	8,267
Remove Capital Inflation	(68)
Changes in Forecast Expenditure	(262)
Slippage to Next Year	(228)
Slippage From Next Year	0
Revenue to capital transfers (revenue benefit)	0
New Scheme Funded From Contributions	5,000
Gross Budget - August	12,709
Contributions and Grants - July	(1,830)
Slippage	0
Slippage From Next Year	0
New Scheme Funding	(5,000)
Contributions and Grants - August	(6,830)
Net Capital Programme	5,879

The additional £5.0m expenditure and grant income in the table above relates to the Alconbury Enterprise Zone with a nil impact on the net capital programme.

The table below shows that the biggest single item that will be used to finance the 2014/15 capital expenditure is working capital (a mix of loans, investments, debtors, creditors and cash).

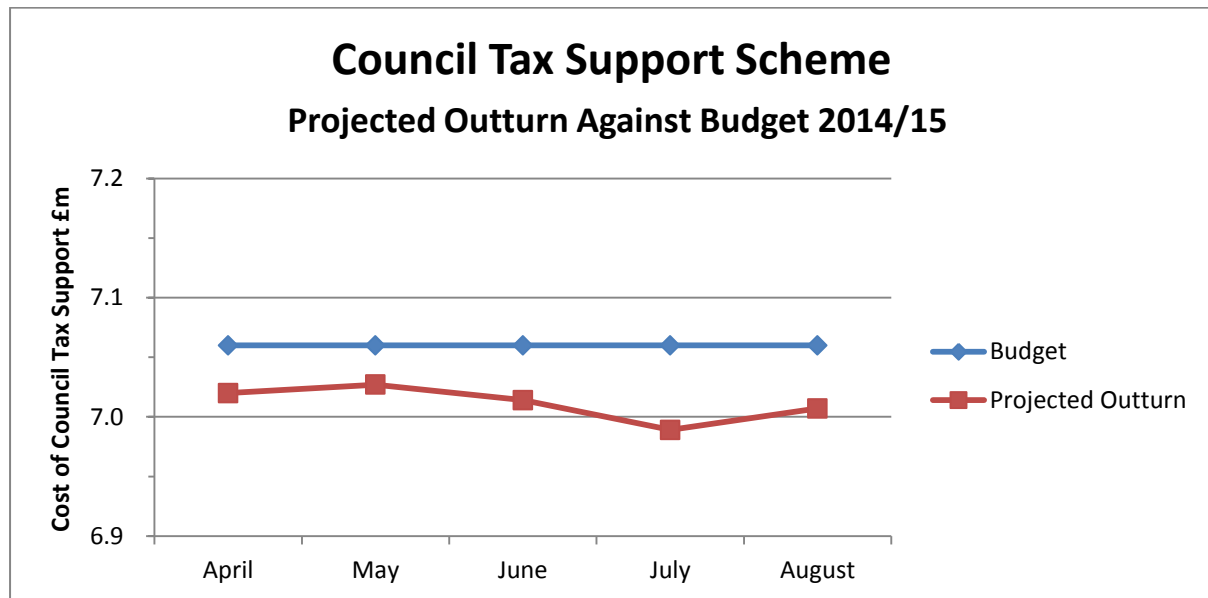
How the 2014/15 Forecast Capital Programme is expected to be financed	
	£000
Gross Expenditure	12,709
Capital Programme: Source of Finance	
- Grants and Contributions	(6,830)
Net Capital Programme	5,879
Other Sources of Finance	
Capital Receipts (Right To Buy Clawback)	(600)
Capital Receipts Land Sales	(200)
Minimum Revenue Provision	(1,623)
Capital Grants Unapplied Reserve	0
Borrowing (Working Capital)	3,456

Movement in Capital Financing	
	£000
Borrowing (Working Capital) - July	3,914
Less Capital Receipts	100
Remove Capital	
Inflation	(68)
Slippage from next year	0
Slippage to next year	(228)
Changes in forecast expenditure	(262)
Borrowing (Working Capital)	3,456

What Has Changed from Net Budget to Net Forecast	
	£000
Original Net Budget	4,691
Remove Capital	
Inflation	(68)
Slippage From 2013/14	1,945
Scheme Savings Additional Scheme	(269)
Costs	53
Revenue to Capital Transfers	0
Slippage to Future Years	(293)
Slippage from Future Years	(180)
Net Forecast	5,879

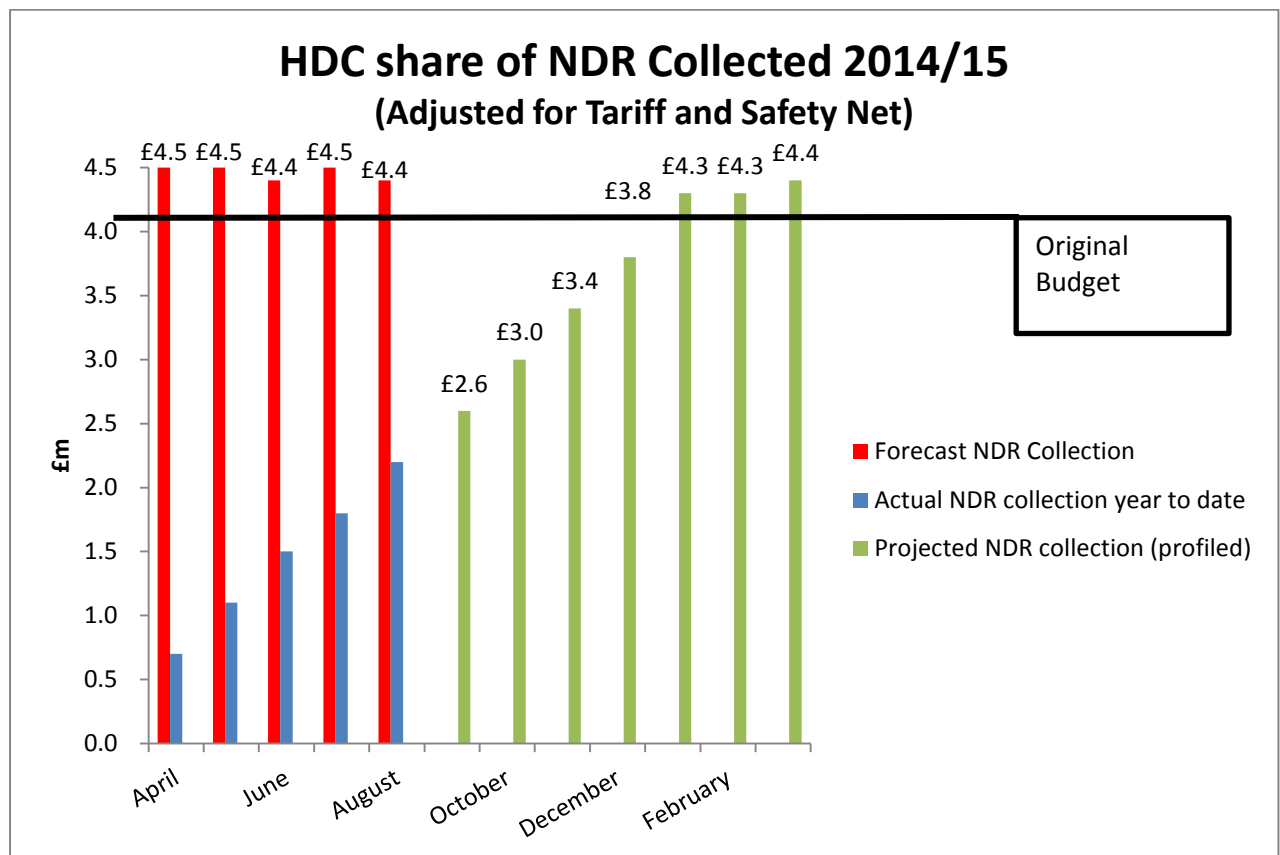
Council Tax Support Scheme

Currently the take up of the Council Tax Support Scheme is less than planned by some £0.053 million reflecting a more buoyant local economy. Any 2014/15 saving due to the Support Scheme will impact in 2015/16.



The benefit to HDC will be proportionate to all Council Tax precepts (13.8% for HDC including parishes).

Collection of NDR and Council Tax



Forecast variation to the original budget is £0.2m.

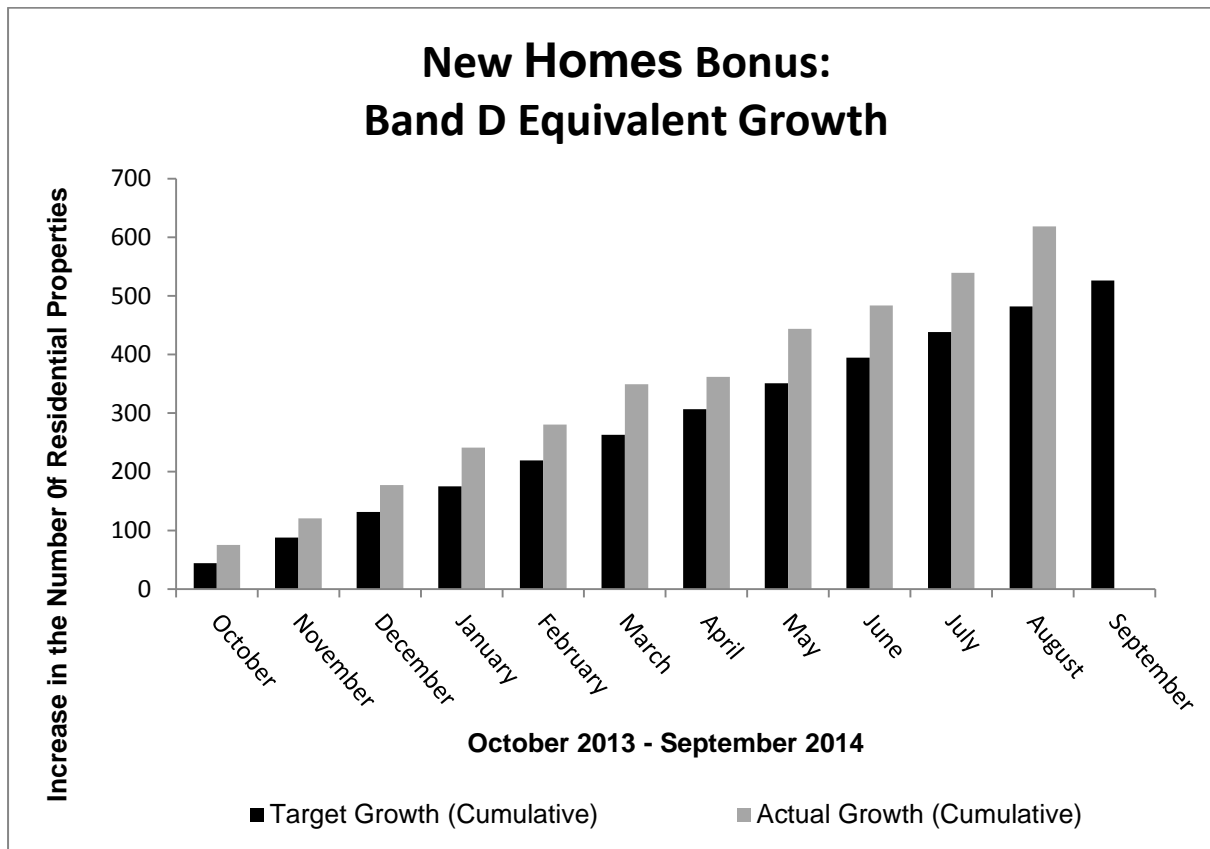
It should be noted that:

- any variance from the budget will impact in 2015/16.
- the localisation of NDR has made the modelling of collectable NDR problematic; this is due to the fact that the Valuation Office has a backlog of appeals which means the position is extremely volatile and further appeals will of necessity result in an amended forecast,
- the uncertainty as to when new premises will come into the valuation list further increases this volatility,

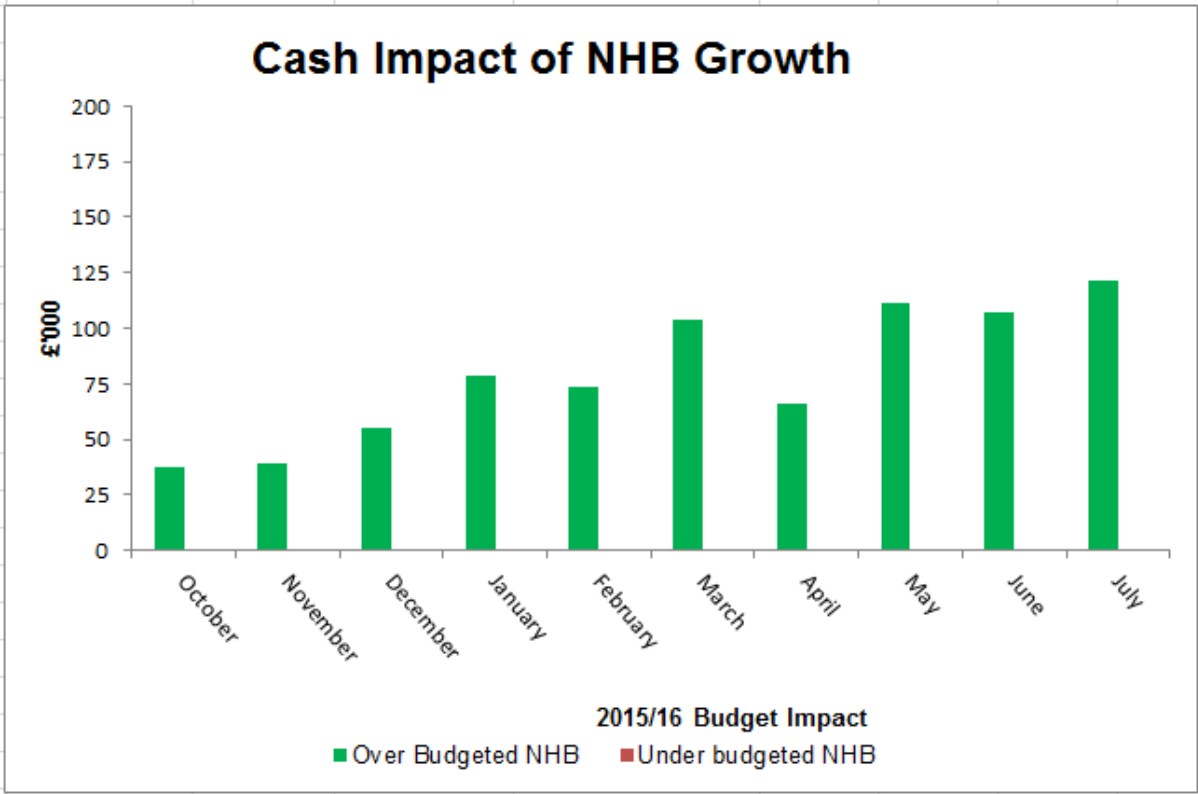
In addition to the forecast above, the Council will receive a grant estimated to be £0.660m for new burdens not allowed for in the central government's assumptions for sharing NDR.

The forecast reflects the actual liability for tax at the time of annual billing compared to the assumptions made at the time the tax base was set. The projection assumes 1% of tax due for 2014/15 will be collected during 2015/16.

New Homes Bonus



The New Homes Bonus reporting cycle is October to September; consequently any income will be attributable to 2015/16. The following forecasts exclude adjustments for long-term empty properties and affordable homes.



Pending confirmation from the Government the NHB value per property has been estimated at last years rate plus 2% inflation.