

Merton Council

Overview and Scrutiny Commission - financial monitoring task group

22 July 2015

Supplementary agenda – tabled documents

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Financial Task Group

Date: 22 July 2015

Subject: Financial Report 2015/16 – June 2015

Lead officer: Paul Dale

Lead member: Mark Allison

Recommendations:

A. That Cabinet note the financial reporting data relating to revenue budgetary control, showing a forecast net underspend at year end of £0.50million, 0.3% of the net budget.

B. That Cabinet note the following capital adjustments:

Scheme	2015/16 £000s	2016/17 £000s	Narrative
Poplar Permanent Expansion	40	0	Contribution from school for landscaping works
Colliers Wood Library Re-Fit	(200)	200	Expenditure profile for the scheme now established and budgeted spend in 2016/17
Industrial Estate Investment	(550)	550	The works required under the scheme pending the outcome of the Asset Review
Total	(710)	750	

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This is the first quarter's financial monitoring report for 2015/16 presented in line with the financial reporting timetable.

This financial monitoring report provides:-

- The income and expenditure at period 3 and a full year forecast projection.
- An update on the capital programme and detailed monitoring information;
- An update on Corporate Items in the budget 2015/16;
- Progress on the delivery of the 2015/16 revenue savings
- An update on the delivery of 2014/15 savings

2. 2015/16 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

Executive summary – At the end of the first quarter to 30th June 2015 the year end forecast is net £0.50m underspend, 0.3% of the net budget.

Summary Position as at 30 June 2015

	Current Budget 2015/16	Full Year Forecast (June)	Forecast Variance at year end (June)	Forecast Variance at year end-previous month (May)	Outturn variance 2014/15
	£000s	£000s	£000s	£000s	£000s
Department					
3A. Corporate Services	14,996	14,435	(561)	(813)	(691)
3B. Children, Schools and Families	51,290	52,678	1,388	1,920	2,663
3C. Community and Housing	61,555	62,567	1,012	1,222	2,774
3D. Public Health	320	137	(183)	(0)	(0)
3E. Environment & Regeneration	23,999	24,902	93	77	1,703
Overheads	0	0	0	0	0
NET SERVICE EXPENDITURE	152,160	153,936	1,749	2,406	6,448
3E. Corporate Items					
Impact of Capital on revenue budget	14,117	14,092	(25)	(25)	205
Central budgets	(12,186)	(14,408)	(2,222)	(1,096)	(2,817)
Levies	926	926	0	0	0
TOTAL CORPORATE PROVISIONS	2,856	609	(2,247)	(1,121)	(2,612)
TOTAL GENERAL FUND	155,016	154,545	(498)	1,285	3,836
FUNDING					
Revenue Support Grant	(30,425)	(30,425)	0	0	0
Business Rates	(33,686)	(33,686)	0	0	0
Other Grants	(9,434)	(9,434)	0	0	(154)
Council Tax and Collection Fund	(81,471)	(81,471)	0	0	0
FUNDING	(155,016)	(155,016)	0	0	(154)

	Current Budget 2015/16	Full Year Forecast (June)	Forecast Variance at year end (June)	Forecast Variance at year end (May)
Expenditure	£000	£000	£000	£000
Employees	96,576	97,695	1,119	668
Premises Related Expenditure	8,562	8,146	(416)	(476)
Transport Related Expenditure	13,601	13,673	72	1,459
Supplies and Services	174,169	173,555	(614)	(222)
Third Party Payments	89,060	92,216	3,156	2,114
Transfer Payments	104,029	103,841	(189)	(591)
Support Services	31,902	31,900	(2)	(2)
Depreciation and Impairment Losses	16,505	16,506	0	0
Corporate Provisions	2,856	609	(2,247)	(1,121)
GROSS EXPENDITURE	537,260	538,140	880	1,830
Income				
Government Grants	(266,025)	(265,837)	188	224
Other Grants, Reimbursements and Contribs	(25,505)	(26,853)	(1,348)	(1,105)
Customer and Client Receipts	(58,124)	(59,154)	(1,030)	(840)
Interest	(44)	(20)	24	24
Recharges	(32,547)	(32,546)	1	1
Balances	1	789	787	1,151
GROSS INCOME	(382,244)	(383,622)	(1,377)	(545)
NET EXPENDITURE	155,016	154,518	(498)	1,285

Chart 1 below shows the forecast year end variance for departmental expenditure with a comparison against 2014/15, 2013/14 and 2012/13.

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2015/16 Estimated Cash Flow Forecast June 2015 Position and 2016/17 to 2018/19 Forecast

Description	2013/14	2014/15	2015/16	2015/16 July	2015/16 Forecast	2016/17	2017/18
	Actual £	Actual £	Actual £	Forecast	Forecast £	Forecast £	Forecast £
Expenditure							
Bank Charges & Related Expenditure	-280,105	-252,277	-68,505	-196,700	-265,205	-283,080	-300,180
Other Expenditure	-6,283,525	-7,828,102	-2,057,308	-3,569,443	-5,626,751	-4,835,324	-4,876,024
CHAS Payroll, Tax and VAT	-281,042	-404,799	-299,371	-554,000	-853,371	-990,000	-1,009,600
Business Rates and CTax Refunds	-4,191,413	-5,601,262	-1,363,421	-3,115,600	-4,479,021	-4,261,000	-4,486,000
HMRC Related Payments	-37,905,995	-37,321,464	-9,073,480	-28,440,000	-37,513,480	-38,130,000	-38,310,000
Housing Benefit (excluding HPU)	-91,560,234	-92,065,094	-27,099,567	-70,995,000	-98,094,567	-93,807,800	-94,418,000
Invoice Payments (Bacs & Cheques & CHAPS)	-380,133,952	-395,055,881	-94,460,688	-325,580,000	-420,040,688	-434,440,000	-442,740,000
Payroll Related Payments (including Schools)	-102,340,589	-104,256,311	-27,003,044	-81,595,000	-108,598,044	-108,489,000	-107,652,000
LGPS Pension Contributions, Additional Payments and Others)	-20,531,501	-30,964,991	-3,898,957	-16,380,000	-20,278,957	-20,443,000	-20,620,000
NET Business Rates Retention Scheme	-30,490,439	-31,348,193	-5,507,065.00	-8,263,485.00	-13,770,550	-14,670,550	-14,670,550
Teachers Pension	-12,232,378	-13,009,538	-3,163,614	-10,092,000	-13,255,614	-13,660,000	-13,920,000
Pensioners Payments (Added Year met by Employer)	-1,826,040	-2,118,019	0	-960,000	-960,000	-960,000	-960,000
Total Expenditure	-688,057,214	-720,225,930	-173,995,018	-549,741,228	-723,736,246	-734,969,754	-743,962,354
Income							
Business Rates Receipts	81,049,805	83,475,794	24,064,589	61,645,266	82,309,855	86,171,320	87,509,200
Council Tax Receipts	86,306,899	89,153,249	25,681,129	24,881,129	88,431,964	91,720,000	92,956,000
DWP - Housing Benefit Subsidy & Admin Grant & Discretionary Housing Payment grant&S31 Grant)	105,597,732	87,289,045	26,838,968	70,380,000	97,218,968	95,040,000	95,400,000
Grants (Including Public Health Grants)	232,347,884	232,223,392	63,209,770	155,647,235	218,853,962	222,935,620	223,814,180
Other Income	94,988,434	112,583,965	31,219,596	81,000,657	116,420,253	110,562,735	113,484,876
Payroll and Pension Recoupement	89,636,321	91,751,577	22,811,619	69,578,690	92,390,309	94,788,400	95,033,000
VAT Reimbursement	19,250,750	24,246,574	6,169,799	18,100,000	24,269,799	25,300,000	25,800,000
Total Income	709,177,824	720,723,595	199,995,470	481,232,978	719,895,109	726,518,075	733,997,256
Net Income/Expenditure	21,120,610	497,665			-3,841,137	-8,451,679	-9,965,098
Interest Received on investments		777,103			593,938	387,000	393,165
Interest on Pooled Property Investment		0			260,000	260,000	260,000
Interest Paid on Debt		-6,635,976			-6,641,405	-6,641,405	-6,641,405
		-5,361,209	0	0	-9,628,603	-14,446,084	-15,953,338
B/F Cash Balance	80,000,000	79,945,773			86,248,938	64,710,335	50,264,251
B/F Short Term Debt	0	11,910,000			-11,910,000	0	0
B/F Bank Balance	-54,227	-245,626			0		
Debt Repaid In Year							-3,966,268
New Debt In Year							
Estimated Closing Cash Balance	79,945,773	86,248,938			64,710,335	50,264,251	30,344,645
Estimated Monthly Closing Value of investments	80,000,000	86,100,000			65,000,000	50,300,000	30,400,000
Estimated Closing Value of Short Term Debt	0	11,910,000			0		
Estimated Closing Bank Balance	-54,227	-245,626			-289,665	-35,749	-55,355

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