

Chichester District Council

CABINET

8 March 2016

Financial Monitoring 2015-16

1. Contacts

Report Author:

David Cooper, Group Accountant,

Tel: 01243 534733 E-mail: dcooper@chichester.gov.uk

Cabinet Member:

Philippa Hardwick, Cabinet for Finance

Tel: 01428 6618664 E-mail: phardwick@chichester.gov.uk

2. Recommendation

- 2.1. That the Cabinet notes the 2015-16 forecast revenue outturn position on the Council's General Fund (Appendix 1) and progress made to date on the 2015-16 capital projects (Appendix 2).**

3. Background

- 3.1. The financial position of the Council will now be reported on a regular basis to Cabinet. In the past this information was made available to council members via the Knowledge Hub.
- 3.2. As a result of the introduction of a new financial management system and the review of services provided by the council's accountancy team, budget managers are now responsible for examining their own budgets and investigating and reporting on variations.

4. Outcomes to be achieved

- 4.1. The purpose of this report is to assist the Cabinet in monitoring its 2015-16 revenue and capital budgets, and to take any necessary action in order to comply with the Council's Financial Regulations.

5. Financial Monitoring

5.1. Revenue Monitoring

- 5.1.1 At its meeting in February 2015, the Cabinet considered its budget spending plans for 2015-16. In order to monitor the Council's base revenue budget, the accountants provide Heads of Service with a schedule of variations that is investigated by their service managers. If a variation is forecast to have a significant impact on the outturn position for the current financial year, the service manager is required to provide members with a succinct explanation of the reason for the difference.

5.1.2 The major variations contained in the Revenue Monitoring Statement (Appendix 1) have been detected during the course of these investigations as at 31 December 2015 (the end of quarter 3). The statement currently identifies a potential underspend/additional income on the 2015-16 revenue budget of £1,701,000.

5.2. Capital Monitoring

5.2.1 Appendix 2 to this report is produced using the Covalent Performance Management software that tracks the progress and status of Performance Indicators and projects. The use of Covalent ensures that all performance information is available in one place to all CDC officers, managers and members and eliminates the duplication of effort. Covalent provides a straightforward analysis and reporting mechanism that is reflected in appendix 2.

5.2.2 The information held by Covalent is reviewed on a regular basis by service managers and project leaders. All major projects are monitored by the Senior Leadership Team and Programme Boards on an exception basis.

5.2.3 To enable members to monitor these schemes more effectively, scheme progress is reflected using a traffic light status given to each project. The status of a project can be:

 GREEN (project in progress) - The scheme is likely to be completed on time, within budget, and deliver its anticipated outcomes.

 YELLOW (check progress, milestone approaching or past its due date) - The scheme may be delayed, or delivered over budget but within the tolerances contained within the Council's Financial Regulations. There may also be a significant risk that the anticipated outcomes will not be achieved.

 RED (project overdue) - There is a high risk that the scheme may not be completed on time or possibly stopped. Anticipated outcomes may not be achieved. Scheme is likely to be overspent by more than the tolerances contained within the Council's Financial Regulations.

 COMPLETED - The scheme has been implemented. The appendix offers comments on the success of the scheme in delivering its objectives.

 CANCELLED – The scheme has been aborted.

5.2.4 To maintain the integrity of the information held on Covalent, lead project officers and the accountants are required to record on the system, on at least a monthly basis, an update regarding a project's progress and financial status.

5.2.5 To enable members to monitor these schemes effectively, Appendix 2 has an index grouped into individual cabinet responsibility area that highlights the scheme title and the status of each project.

- 5.2.6 Where a scheme has been identified as having a status of either amber, red or completed, further information including comments from the service manager responsible for the scheme is provided to members on the schedules included within the relevant appendix.
- 5.2.7 The Capital Monitoring Statement in Appendix 2 considers the progress being made on capital schemes within the current approved capital programme. The financial information provided represents the position as at 31 January 2016.

6. Resource and legal implications

- 6.1. Section 151 of the Local Government Act 1972 requires every authority in England and Wales to "... make arrangements for the proper administration of their financial affairs and shall secure that one of their Officers has responsibility for the administration of those affairs". For Chichester, the Head of Finance and Governance Services acts as the Council's 'Responsible Financial Officer' (also referred to as the Section 151 officer) in order to meet the requirements of this legislation.
- 6.2. Each of the Council's budgets is delegated to a designated budget manager. All budget managers must comply with the requirements of the Financial Regulations contained within the Council's Constitution.

7. Community impact and corporate risks

- 7.1. It is essential that the Council has a robust process for managing and monitoring its financial resources. At the end of the financial year, as part of its audit of the Council's financial statements, external auditors Ernst & Young are required to provide a conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in the use of its resources.

8. Other Implications

Crime & Disorder:	None
Climate Change:	None
Human Rights and Equality Impact:	None
Safeguarding and Early Help:	None

9. Appendices

- 9.1. Appendix 1 Revenue Monitoring Statement
- 9.2. Appendix 2 Projects and Capital Schemes Index
- 9.3. Appendix 2a Projects and Capital Schemes (Amber Status)
- 9.4. Appendix 2b Projects and Capital Schemes (Red Status)
- 9.5. Appendix 2c Projects and Capital Schemes (Completed Status)

10. Background Papers

None