

Essex County Wide Traveller Unit Joint Committee 12 December 2014

Report by David Poole, Senior Financial Analyst

Finance Report for the Essex County Wide Traveller Unit

Enquiries to David Poole, ECC Senior Financial Analyst, 07799 675892

1. Purpose

- 1.1 To provide a financial update for the six months to 30th September 2014
- 1.2 To make recommendations for the budget for 2015/16
- 1.3 To make recommendations for the membership fees for 2015/16
- 1.4 To provide an update on the response of the External Auditor regarding the Annual Submission for 2013/14

2. Financial update for the year to 31st December 2013

2.1 Essex Countywide Traveller Unit proposed and indicative budgets

Revenue Account

	2014/15	2015/16	2016/17
Employees	230,607	235,219	239,923
Supplies & Services	34,732	9,926	10,125
Transport & Mileage	19,447	19,836	20,233
Gross Expenditure	<u>284,786</u>	<u>264,982</u>	<u>270,281</u>

2.2 Current utilisation and forecast use for the remainder of the 2014/15 financial year

Revenue Account

	2014/15	14/15 actual to 30 th Sep 2014	% budget utilisation	14/15 forecast to 31 st Mar 2015	% budget utilisation
Employees	230,607	102,952	45%	223,630	97%
Supplies & Services	34,732	2,479	7%	8,282	24%
Transport & Mileage	19,447	9,832	51%	20,451	106%
Gross Expenditure	<u>284,786</u>	<u>115,263</u>	40%	<u>252,453</u>	89%

2.3 Commentary

- Staff related expenditure, including travel cost, are on-line compared to the 6month forecast and are expected to show a 2% underspend for the full financial year (£5,883).
- Supplies and services have been running behind forecast and whilst additional expenditure is expected throughout the next 6 months the year end is now forecast to be at no more than 24% of the original budget, underspend forecast at £26,450, suggesting that for 2015/16 this element could comfortably be reduced.
- The reserve carried forward at the end of 2013/14 was £92,656 and based on the reforecast budget utilisation for 2014/15 this will rise to £134,488 owing to the planned budget underspend of £32,333 and the planned reserve contribution of £9,499.
- The database project remains behind schedule and also contains a degree of uncertainty over actual costs to complete the work at this stage and these overall costs once known are due to be paid from the reserve.
- Additional resource in the form of an apprentice is currently being considered which would require ca. £1,200 of additional unplanned expenditure this financial year and if approved this can be comfortably accommodated within the current budget.

2.4 Recommendation

- Discussion at the June 2014 Joint Committee meeting revolved around the need for a reserve as this is only the second full year of operation; the probability that £100,000 was around the level that would be appropriate to set as an estimated maximum unless there were extenuating circumstances; and that an amendment to future membership fees should

be discussed at the next Joint Committee meeting in light of expenditure to date / forecast year end outturn compared to the approved budget.

- b. Given that the database costs are still unclear but there is a risk of a significant increase to the original expectation it is recommended that the expected reserve position at year end of £134,488 be permitted until clarity over the database costs is obtained.
- c. Assuming
 - i. continuation of the ECTU and similar levels of membership
 - ii. expenditure in 2015/16 similar to the levels seen this year, plus possible employment of an apprentice

it is recommended that the 2015/16 budget be reduced. The overall underspend for the year is ca. 11% (£32,333) and it is recommended that a 10% reduction in both budget and membership fees (£29,428.50) is agreed for 2015/16.

This would see current member contributions reduced as follows: -

Organisation	Current Fee	Revised Fee	Reduction	% Reduction	% of remaining overall contributions
ECC	£147,286.38	£132,557.74	£14,728.64	10%	50.05% plus in kind hosting costs, including payroll, IT, ECTU office space
Essex Fire and Rescue	£25,720.00	£23,148.00	£2,572.00	10%	8.74%
Districts, Boroughs and Unitaries	£7,181.00	£6,462.90	£718.10	10%	2.44%
Public Health (per CCG)	£14,202.40	£12,782.16	£1,420.24	10%	4.83%

3. External Auditor's Findings

3.1 The financial return and the internal audit report were accepted.

3.2 The External Auditor did comment "The Committee was unable to provide documentary evidence to demonstrate it has reviewed the effectiveness of internal control arrangements during the year"

This is the subject of an agenda item.

3.3 Additional Post Audit Actions

- a. Auditor's invoice for £720 has been received and is in course of payment
- b. Notice of conclusion of the audit and right to "Inspect the Annual Return", see Appendix 1, for agreement and also to agree: -
 - places to be displayed
 - any fees payable
 - point of contact

4. Decisions Required and to be sought from the Joint Committee in November

- 4.1 Approval of accounts and decision to publish
- 4.2 Agree content of and right to "Inspect the Annual Return"
- 4.3 Agreement of location(s) of right to "Inspect the Annual Return" to be displayed, fees payable and contact for requesting.

Appendix 1

Essex Countywide Traveller Unit Joint Committee

**Notice of conclusion of the audit and right to inspect the Annual Return
Annual Return for the year ended 31 March 2014**

Section 14 of the Audit Commission Act 1998

Accounts and Audit (England) Regulations 2011 (SI 2011/817)

<p>1. The audit of accounts for Essex Countywide Traveller Unit Joint Committee for the year ended 31 March 2014 has been concluded.</p> <p>2. The Annual Return is available for inspection by any local government elector of the area of Essex Countywide Traveller Unit Joint Committee on application to:</p> <p>(a) _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>3. Copies will be provided to any local government elector on payment of £____(b) for each copy of the Annual Return.</p> <p>Announcement made by: (c) _____</p> <p>Date of announcement: (d) _____</p>	<p>Notes</p> <p>(a) Insert name, position and address of the person to whom local government electors should apply to inspect the Annual Return</p> <p>(b) Insert a reasonable sum for copying costs</p> <p>(c) Insert name and position of person placing the notice</p> <p>(d) Insert date of placing of the notice</p>
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------