

POLICY AND RESOURCES COMMITTEE – 19 MARCH 2018

PART I - NOT DELEGATED

10. BUDGET MONITORING – MONTH 10 (JANUARY) (DoF)

1. Summary

1.1 Budget monitoring report is a key tool in scrutinising the Council's financial performance. It is designed to provide an overview to all relevant stakeholders. It is essential that the council monitors its budgets throughout the year to ensure that it is meeting its strategic objectives and that corrective action is taken where necessary.

1.2 This report seeks approval to a change in the Council's medium-term revenue financial plan. The report shows the Council's overall consolidated medium term financial plan for both revenue and capital.

2. Details

2.1 An overall increase in the Council's budgets requiring the use of balances must be approved by Council. Virements between cost centres within each service are approved by each Committee.

Revenue

2.2 The Council's overall latest budget is **£12.575 million**. The forecast outturn at period 10 (January) is estimated to be **£12.393 million** which gives a favourable variance of **£0.182 million**. The table below shows how the forecast outturn has been constructed.

Net Revenue Budget 2017/18	£ million
Original Net Revenue Budget	12.163
Carry Forward from 2016/17	0.289
Variances Previously Approved - Council 20 February 2018	0.123
Latest Approved Budget	12.575
Variances Reported This Period – Period 10 (January) <i>to be approved</i>	(0.182)
Forecast Outturn	12.393

Service Budgets

2.3 The latest budget for services is **£10.950 million**. The forecast outturn is now estimated to be **£10.768 million** which results in a favourable variance of **£0.182 million**.

2.4 The document attached (Budget Management 2017/18 - Annex 1) contains detailed information on the variance and the impact on the Council's medium term financial plan.

Capital

- 2.5 The latest 2017/18 budget is £18.585 million. Services have identified a variance of £0.750 million which has reduced the budget to £17.835 million. The table below shows how the forecast outturn has been constructed.

Capital Investment Programme 2017/18	£ million
Original Budget	17.605
Re-phasing from 2016/17	3.974
Variances Previously Approved - Council 20 February 2018	(2.994)
Latest Approved Budget	18.585
Variances Reported This Period – Period 10 (January) <i>to be approved</i>	(0.750)
Forecast Outturn	17.835

- 2.6 The document attached (Budget Management 2017/18 - Annex 1) contains detailed information on the variance and the impact on the Council's medium term financial plan.

3. Options/Reasons for Recommendation

- 3.1 The recommendations below enable the Committee to make recommendations to Council concerning their budget.

4. Policy / Budget Reference and Implications

- 4.1 In accordance with the Council's financial procedure rules, if the recommendations are accepted, this will amend the Council's budgets.

- 4.2 There are no substantial changes to Council policy resulting from this report.

5. Legal, Equal Opportunities, Staffing, Environmental, Community Safety, Public Health, Customer Services Centre, Communications & Website, and Health & Safety Implications

- 5.1 None specific.

6. Financial Implications

- 6.1 The following revenue and capital variations have been identified for all Service Committees for Period 10 (end of January).

Variance	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Revenue - (Favourable)/ Unfavourable	(182,180)	0	0	0
Capital - Increase / (Decrease)	(749,560)	749,560	0	0

7. Risk Management Implications

- 7.1 There are no risks to the Council in agreeing the recommendations.

- 7.2 The following table gives the risks if the recommendations are rejected, together with a scored assessment of their impact and likelihood:

Description of Risk		Impact	Likelihood
1	The Council's Medium-Term Financial Plan would be out of date and officers would not have accurate budgets to work to.	III	A

7.3

The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood are plotted in the shaded area of the matrix. The remaining risks require a treatment plan. The risk is managed within the Finance services service plan.

Likelihood	A			1			Impact V = Catastrophic IV = Critical III = Significant II = Marginal I = Negligible	Likelihood A = >98% B = 75% - 97% C = 50% - 74% D = 25% - 49% E = 3% - 24% F = <2%
	B							
	C							
	D							
	E							
	F							
		I	II	III	IV	V		
Impact								

8.

Recommendation

8.1

That the Policy & Resources Committee notes the projected forecast outturn variances below to the budget approved at Council on 20 February 2018.

Variance	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Revenue - (Favourable)/ Unfavourable	(182,180)	0	0	0
Capital - Increase / (Decrease)	(749,560)	749,560	0	0

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Background Papers

Budget setting recommendations - Council 20 February 2018.

ATTACHMENTS

Annex 1 – Budget Management 2017/18 Period 10 (end of January)