

## POLICY AND RESOURCES COMMITTEE – 11 MARCH 2019

### PART I - NOT DELEGATED

#### 8. 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 Committee's 2018 - 2022 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 original net revenue budget for 2018/19 (as approved by Council on 20 February 2018) was £11.540 million. The revised budget is £12.477 million. The forecast outturn at period 10 (January) is estimated to be £12.534 million which gives a variance compared to the latest budget of £0.057 million. The table below shows how the forecast outturn has been constructed.

<b>Net Revenue Budget 2018/19</b>	<b>£ million</b>
<b>Original Net Revenue Budget</b>	<b>11.540</b>
Carry Forward from 2017/18	0.461
Variances Previously Approved	0.476
<b>Revised Approved Budget (Council February 2019)</b>	<b>12.477</b>
Variances Reported This Period – Period 10 (January) <i>to be approved</i>	0.057
<b>Forecast Outturn</b>	<b>12.534</b>

##### **Service Budgets**

2.3 After removing the budgets for non-specific service costs (parish precepts, interest earned/paid and reserve transfers), which are treated as corporate costs, the net original direct revenue budget was set at **£9.749 million** and the revised budget is **£10.800 million**. The forecast outturn is now estimated to be **£10.857 million** which results in an unfavourable variance of **£0.057 million**.

2.4 The document attached (Budget Management 2018/19 - Annex 1) contains detailed information on the variance and the impact on the Council's medium term financial plan.

**Capital**

2.5 The original budget for 2018/19 (as approved by Council on 20 February 2018) was **£39.144 million**. The revised budget is **£33.314 million**. Services have identified a variance of **£1.128 million** which has reduced the 2018/19 budget to **£32.186 million**. The table below shows how the forecast outturn has been constructed.

<b>Capital Investment Programme 2018/19</b>	<b>£ million</b>
<b>Original Budget</b>	<b>39.144</b>
Rephasing from 2017/18	1.860
Variances Previously Approved	(7.690)
<b>Revised Approved Budget (Council February 2019)</b>	<b>33.314</b>
Variances Reported This Period – Period 10 (January) <i>to be approved</i>	(1.128)
<b>Forecast Outturn</b>	<b>32.186</b>

2.6 The document attached (Budget Management 2018/19 - 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, Customer Services Centre, Communications, Health & Safety & Website 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).

<b>Variance</b>	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>
<b>Revenue</b> - (Favourable)/ Unfavourable	56,890	0	0	0
<b>Capital</b> - Increase / (Decrease)	(1,128,320)	(244,342)	1,369,602	0

## 7. Risk Management Implications

- 7.1 The Council has agreed its risk management strategy. Financial and budgetary risks are shown at **Appendix 7**.
- 7.2 In the officers' opinion none of the risks above, in isolation, were they to come about, would seriously prejudice the achievement of the Strategic Plan and are therefore operational risks that will be included and managed via the Corporate Services Service Plan. The effectiveness of treatment plans are reviewed by the Audit Committee.

## 8. Recommendation

To Council:

- 8.1 That the following revenue and capital budget variations be approved and incorporated into the three-year medium-term financial plan:-

<b>Variance</b>	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>
<b>Revenue</b> - (Favourable)/ Unfavourable	56,890	0	0	0
<b>Capital</b> - Increase / (Decrease)	(1,128,320)	(244,342)	1,369,602	0

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### Background Papers

Budget setting recommendations - Council 26 February 2019.  
Outturn 2017/18 - Policy and Resources Committee 18 June 2018.

### ATTACHMENTS

Annex 1 – Budget Management 2018/19 Period 10 (end of January 2019)